



LODI CITY COUNCIL

Carnegie Forum
305 West Pine Street, Lodi

AGENDA – REGULAR MEETING

Date: January 16, 2019

Time: Closed Session 6:30 p.m.
Regular Meeting 7:00 p.m.

*and via conference call:

**1311 Midvale Road
Lodi, CA 95240**

For information regarding this Agenda please contact:

Jennifer M. Ferraiolo

City Clerk

Telephone: (209) 333-6702

6:55 p.m. Invocation/Call to Civic Responsibility. Invocations/Calls may be offered by any of the various religious and non-religious organizations within and around the City of Lodi. These are voluntary offerings of private citizens, to and for the benefit of the Council. The views or beliefs expressed by the Speaker have not been previously reviewed or approved by the Council, and the Council does not endorse the beliefs or views of any speaker.

C-1 Call to Order / Roll Call

C-2 Announcement of Closed Session

- a) Conference with Adele Post, Human Resources Manager, and Andrew Keys, Deputy City Manager (Labor Negotiators), Regarding International Brotherhood of Electrical Workers and Police Officers Association of Lodi Pursuant to Government Code §54957.6 (CM)
- b) Threatened Litigation: Government Code §54956.9(b); One Case; Potential Suit by Thomas Gabriel against City of Lodi Based on Retirement Benefits – Conversion of Sick Leave (CA)

C-3 Adjourn to Closed Session

NOTE: THE FOLLOWING ITEMS WILL COMMENCE NO SOONER THAN 7:00 P.M.

C-4 Return to Open Session / Disclosure of Action

A. Call to Order / Roll Call

B. Presentations

- B-1 Human Trafficking Awareness Month Proclamation (CLK)
- B-2 Presentation and Demonstration of City's New Website (CM)

C. Consent Calendar (Reading; Comments by the Public; Council Action)

- C-1 Receive Register of Claims in the Amount of \$8,464,229.38 (FIN)
- C-2 Approve Minutes (CLK)
 - a) December 10, 2018 (Special Meeting)
 - b) December 11, December 18, and December 25, 2018; and January 1, 2019 (Shirtsleeve Sessions)
 - c) December 19, 2018 and January 2, 2019 (Regular Meetings)
- C-3 Approve Plans and Specifications and Authorize Advertisement for Bids for Lodi Station Parking Garage Elevator Structural Repair Project (PW)
- C-4 Accept Improvements Under Contract for Compressed Natural Gas Fueling Station Improvements Project (PW)
- Res. C-5 Adopt Resolution Rescinding Resolution No. 2018-100 and Authorizing City Manager to Execute Professional Services Agreement with Henderson Brothers Company, of Lodi, for City Facilities Plumbing Repair Services (\$40,000) (PW)
- Res. C-6 Adopt Resolution Authorizing City Manager to Execute Professional Services Agreement with Callander Associates Landscape Architecture, Inc., of Gold River, for DeBenedetti Park Site Plan Design, and Appropriating Funds (\$65,416.58) (PRCS)

- Res. C-7 Adopt Resolution Approving Annual Shared Automation Fee Structure for Agreement between City of Stockton and Sirsi Corporation Integrated Library System and Approving Cost-Sharing Fee for Fiscal Year 2018/19 (\$25,105) (LIB)
- Res. C-8 Adopt Resolution Authorizing Cellebrite Training and Appropriate Funds (\$8,000) (PD)
- C-9 Monthly Protocol Account Report (CLK)
- C-10 Set Public Hearing for February 6, 2019, to Consider Adopting Resolution Authorizing City Manager to Execute Reimbursement Agreement RA-18-01 for Public Improvements Constructed with Lodi Shopping Center (PW)
- C-11 Set Public Hearing for March 20, 2019, to Consider Adopting Resolution Setting Future Water, Wastewater, and Solid Waste Rate Schedules Pursuant to Proposition 218 for Residential, Commercial, and Industrial Customers (PW)

D. Comments by the Public on Non-Agenda Items

THE TIME ALLOWED PER NON-AGENDA ITEM FOR COMMENTS MADE BY THE PUBLIC IS LIMITED TO FIVE MINUTES.

Public comment may only be made on matters within the Lodi City Council's jurisdiction (Government Code Section 54954.3, Lodi City Council Protocol Manual Section 6.3I). The Council cannot take action or deliberate on items that are not on this agenda unless there is an emergency and the need to take action on that emergency arose after this agenda was posted (Government Code Section 54954.2(b)(2)). All other items may only be referred for review to staff or placement on a future Council agenda.

E. Comments by the City Council Members on Non-Agenda Items

F. Comments by the City Manager on Non-Agenda Items

G. Public Hearings – None

H. Regular Calendar

- Res. H-1 Consider Adopting Resolution Authorizing City Manager to Execute Reimbursement Agreement with Anthem United Perrin Ranch, Limited Partnership, for Annexation Entitlement Processing and Environmental Review Services for the Proposed Perrin Ranch Project at 1890 East Harney Lane (CD)

I. Ordinances – None

J. Adjournment

Pursuant to Section 54954.2(a) of the Government Code of the State of California, this agenda was posted at least 72 hours in advance of the scheduled meeting at a public place freely accessible to the public 24 hours a day.

Jennifer M. Ferraiolo
City Clerk

All staff reports or other written documentation relating to each item of business referred to on the agenda are on file in the Office of the City Clerk, located at 221 W. Pine Street, Lodi, and are available for public inspection. If requested, the agenda shall be made available in appropriate alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and the federal rules and regulations adopted in implementation thereof. To make a request for disability-related modification or accommodation contact the City Clerk's Office as soon as possible and at least 72 hours prior to the meeting date. Language interpreter requests must be received at least 72 hours in advance of the meeting to help ensure availability. Contact Jennifer M. Ferraiolo at (209) 333-6702. Solicitudes de interpretación de idiomas deben ser recibidas por lo menos con 72 horas de anticipación a la reunión para ayudar a asegurar la disponibilidad. Llame a Jennifer M. Ferraiolo (209) 333-6702.

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CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Human Trafficking Awareness Month Proclamation

MEETING DATE: January 16, 2019

PREPARED BY: City Clerk

RECOMMENDED ACTION: Mayor Chandler will present a proclamation proclaiming the month of January 2019 as "Human Trafficking Awareness Month" in the City of Lodi.

BACKGROUND INFORMATION: The Mayor will present a proclamation proclaiming the month of January 2019 as "Human Trafficking Awareness Month" in the City of Lodi. Adrianna Griffith, Human Trafficking Resource Navigator with the Women's Center of San Joaquin Youth and Family Services, will be at the meeting to accept the proclamation.

FISCAL IMPACT: Not applicable.

FUNDING AVAILABLE: Not applicable.

Jennifer M. Ferraiolo
City Clerk

JMF/PMF

APPROVED: _____
Stephen Schwabauer, City Manager



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Presentation and Demonstration of City's New Website

MEETING DATE: January 16, 2019

PREPARED BY: Information Technology Manager

RECOMMENDED ACTION: Presentation and demonstration of City's new website.

BACKGROUND INFORMATION: The City has worked with Civic Plus in developing a new web presence. Enhancement to the new site will improve citizen engagement and compliance of ADA regulations.

FISCAL IMPACT: Not applicable.

FUNDING AVAILABLE: Not applicable.

Andrew Keys
Deputy City Manager

APPROVED: _____
Stephen Schwabauer, City Manager



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CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Receive Register of Claims through December 20, 2018 in the Total Amount of \$8,464,229.38

MEETING DATE: January 16, 2019

PREPARED BY: Internal Services Director

RECOMMENDED ACTION: Receive the attached Register of Claims for \$8,464,229.38.

BACKGROUND INFORMATION: Attached is the Register of Claims in the amount of \$8,464,229.38 through December 20, 2018. Also attached is Payroll in the amount of \$1,701,286.50 through December 2, 2018 and \$1,582,073.93 through December 16, 2018. This report covers two pay periods and one full month of claims.

FISCAL IMPACT: Not applicable.

FUNDING AVAILABLE: As per attached report.

Andrew Keys
Internal Services Director

APPROVED: _____
Stephen Schwabauer, City Manager

Council Report
City of Lodi, CA - v11.3.15 Live
11/23/2018 through 12/20/2018

| Fund | Fund Title | Amount |
|-------------|--------------------------------|----------------|
| 100 | General Fund | \$2,958,708.42 |
| 120 | Library Fund | \$18,563.62 |
| 140 | Expendable Trust | \$2,123,082.00 |
| 200 | Parks Rec & Cultural Services | \$56,170.66 |
| 213 | LPD-Public Safety Prog AB 1913 | \$21,635.01 |
| 270 | Comm Dev Special Rev Fund | \$58,604.90 |
| 300 | Street Fund | \$2,225.43 |
| 301 | Gas Tax-2105 2106 2107 | \$68,269.15 |
| 304 | Gas Tax -2031 | \$18,606.58 |
| 305 | TDA - Streets | \$3,213.36 |
| 307 | Federal - Streets | \$31,744.31 |
| 308 | IMF(Regional) Streets | \$2,903.06 |
| 331 | LTF-Pedestrian/Bike | \$21,166.00 |
| 350 | H U D | \$11,758.93 |
| 403 | Vehicle Replacement Fund - PD | \$26,250.15 |
| 431 | Capital Outlay/General Fund | \$123,657.50 |
| 432 | Parks & Rec Capital | \$5,123.30 |
| 434 | Arts in Public Places-IMF | \$0.46 |
| 435 | IMF Police Facilities | \$4.32 |
| 436 | IMF Fire Facilities | \$2.21 |
| 437 | IMF Parks & Rec Facilities | \$22.27 |
| 438 | IMF General Facilities-Adm | \$3.53 |
| 439 | IMF Neighborhood Parks | \$14.28 |
| 500 | Electric Utility Fund | \$275,950.81 |
| 501 | Utility Outlay Reserve Fund | \$156,619.67 |
| 504 | Public Benefits Fund | \$12,820.69 |
| 505 | IMF EU Substation & Trans Syst | \$4.72 |
| 530 | Waste Water Utility Fund | \$240,877.02 |
| 531 | Waste Wtr Util-Capital Outlay | \$421,314.91 |
| 533 | IMF Wastewater Facilities | \$24.18 |
| 535 | IMF Storm Facilities | \$7.97 |
| 560 | Water Utility Fund | \$465,622.94 |
| 561 | Water Utility-Capital Outlay | \$31,876.78 |
| 562 | IMF Water Facilities | \$17.75 |
| 590 | Central Plume | \$9,819.72 |
| 600 | Dial-a-Ride/Transportation | \$348,524.85 |
| 601 | Transit Capital | \$170,322.26 |

| | | |
|--------------|------------------------------|-----------------------|
| 602 | Transit-Prop. 1B -PTMISEA | \$14,000.00 |
| 650 | Internal Service/Equip Maint | \$125,172.74 |
| 655 | Employee Benefits | \$599,798.76 |
| 660 | General Liabilities | \$15,440.08 |
| 665 | Worker's Comp Insurance | \$21,881.49 |
| 801 | L&L Dist Z1-Almond Estates | \$2,402.59 |
| Total | | \$8,464,229.38 |

Council Report: Payroll

City of Lodi, CA - v11.3.15 Live

Pay Period 12/2/2018

| Fund | Description | Amount |
|---------------------|-------------------------------|-----------------------|
| 100 | General Fund | \$1,091,236.18 |
| 120 | Library Fund | \$21,516.39 |
| 200 | Parks Rec & Cultural Services | \$113,761.29 |
| 214 | LPD-OTS Grants | \$3,506.14 |
| 219 | LPD-ABC Grant | \$1,745.58 |
| 270 | Comm Dev Special Rev Fund | \$31,129.03 |
| 301 | Gas Tax-2105 2106 2107 | \$31,155.81 |
| 500 | Electric Utility Fund | \$205,074.99 |
| 504 | Public Benefits Fund | \$78.93 |
| 530 | Waste Water Utility Fund | \$147,155.09 |
| 560 | Water Utility Fund | \$18,942.99 |
| 600 | Dial-a-Ride/Transportation | \$9,198.90 |
| 650 | Internal Service/Equip Maint | \$23,028.23 |
| 655 | Employee Benefits | \$3,756.95 |
| Report Total | | \$1,701,286.50 |

Council Report: Payroll

City of Lodi, CA - v11.3.15 Live

Pay Period 12/16/2018

| Fund | Description | Amount |
|---------------------|-------------------------------|-----------------------|
| 100 | General Fund | \$1,000,728.33 |
| 120 | Library Fund | \$21,430.99 |
| 200 | Parks Rec & Cultural Services | \$116,808.40 |
| 214 | LPD-OTS Grants | \$3,809.86 |
| 219 | LPD-ABC Grant | \$851.52 |
| 270 | Comm Dev Special Rev Fund | \$27,885.85 |
| 301 | Gas Tax-2105 2106 2107 | \$29,533.47 |
| 500 | Electric Utility Fund | \$205,970.51 |
| 501 | Utility Outlay Reserve Fund | \$136.59 |
| 530 | Waste Water Utility Fund | \$126,546.35 |
| 560 | Water Utility Fund | \$19,355.37 |
| 600 | Dial-a-Ride/Transportation | \$9,216.61 |
| 650 | Internal Service/Equip Maint | \$19,800.08 |
| Report Total | | \$1,582,073.93 |



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CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Approve Minutes
a) December 10, 2018 (Special Meeting)
b) December 11, 2018 (Shirtsleeve Session)
c) December 18, 2018 (Shirtsleeve Session)
d) December 19, 2018 (Regular Meeting)
e) December 25, 2018 (Shirtsleeve Session)
f) January 1, 2019 (Shirtsleeve Session)
g) January 2, 2019 (Regular Meeting)

MEETING DATE: January 16, 2019

PREPARED BY: City Clerk

RECOMMENDED ACTION: Approve the following minutes as prepared:
a) December 10, 2018 (Special Meeting)
b) December 11, 2018 (Shirtsleeve Session)
c) December 18, 2018 (Shirtsleeve Session)
d) December 19, 2018 (Regular Meeting)
e) December 25, 2018 (Shirtsleeve Session)
f) January 1, 2019 (Shirtsleeve Session)
g) January 2, 2019 (Regular Meeting)

BACKGROUND INFORMATION: Attached are copies of the subject minutes marked Exhibit A through G, respectively.

FISCAL IMPACT: Not applicable.

FUNDING AVAILABLE: Not applicable.

Jennifer M. Ferraiolo
City Clerk

Attachments

APPROVED: _____
Stephen Schwabauer, City Manager

**LODI CITY COUNCIL
SPECIAL CITY COUNCIL MEETING
CARNEGIE FORUM, 305 WEST PINE STREET
MONDAY, DECEMBER 10, 2018**

A. Call to Order / Roll Call

The Special City Council meeting of December 10, 2018, was called to order by Mayor Nakanishi at 6:03 p.m.

Present: Council Member Chandler, Council Member Johnson, Council Member Kuehne, Mayor Pro Tempore Mounce, and Mayor Nakanishi

Absent: None

Also Present: City Manager Schwabauer, City Attorney Magdich, and City Clerk Ferraiolo

B. Presentations

B-1 Presentation in Honor of Lieutenant Jack A. Hargis by Belgium Consulate (CLK)

Belgium Consul General Vantieghem presented a certificate awarded by the Frasnes-Les-Anvaing City Council to the City and family of late Lieutenant Jack A. Hargis, in honor of his sacrifice and in recognition of the contribution of the American people during World War II. Lieutenant Hargis, a Lodi native, was killed when his B-17 Flying Fortress was shot down over a field in Belgium and his parachute failed to open. Consul General Vantieghem also presented the City and family with a book in remembrance of this occasion.

B-2 Presentation of Certificate of Recognition to Lodi Sister City Committee in Celebration of 500th Anniversary of Lodi's Sister City, Kofu, Japan (CLK)

Mayor Nakanishi presented a certificate of recognition to Bill Hinkle, president of Lodi Sister City Committee, in celebration of the 500th anniversary of Lodi's Sister City, Kofu, Japan. Mayor Nakanishi informed Council that the Mayor of Kofu invited City leaders and Sister City Committee President to the anniversary celebration in Kofu April 4 - 7, 2019. Mr. Hinkle added that Kofu has offered to cover all expenses with the exception of air travel, and Mayor Nakanishi expressed hope that all Council Members will consider accepting the invitation and attending.

B-3 Presentation of Certificate of Recognition to Adam Mettler in Honor of Attaining 2018 Winemaker of the Year Wine Star Award (CLK)

Mayor Nakanishi presented a certificate of recognition to Adam Mettler in honor of attaining the 2018 Winemaker of the Year Wine Star Award by Wine Enthusiast Magazine. Mr. Mettler expressed appreciation for the recognition, stating he is excited to continue bringing more publicity to Lodi and the winegrape growing area. He will be attending the official award presentation in Miami on January 28, 2019.

C. Consent Calendar (Reading; Comments by the Public; Council Action)

Council Member Chandler made a motion, second by Mayor Pro Tempore Mounce, to approve the following items hereinafter set forth in accordance with the report and recommendation of the City Manager.

VOTE:

The above motion carried by the following vote:

Ayes: Council Member Chandler, Council Member Johnson, Council Member Kuehne, Mayor Pro Tempore Mounce, and Mayor Nakanishi

Noes: None
Absent: None

C-1 Receive Register of Claims in the Amount of \$5,082,785.08 (FIN)

Claims were approved in the amount of \$5,082,785.08.

C-2 Approve Minutes (CLK)

The minutes of November 7, 2018 (Regular Meeting), November 13, 2018 (Shirtsleeve Session), November 15, 2018 (Special Meeting), November 20, 2018 (Shirtsleeve Session), and November 21, 2018 (Regular Meeting) were approved as written.

C-3 Approve Specifications and Authorize Advertisement for Bids for Granular Activated Carbon Replacement, Well No. 4R and Well No. 22 (PW)

Approved specifications and authorized advertisement for bids for Granular Activated Carbon Replacement, Well No. 4R and Well No. 22.

C-4 Adopt Resolution Ratifying Expenses and Authorizing City Manager to Execute Change Orders for 2018-2020 Landscape Maintenance of Miscellaneous Areas and Lodi Consolidated Landscape Assessment District No. 2003-1 (\$400,000) (PW)

Adopted Resolution No. 2018-234 ratifying expenses and authorizing the City Manager to execute change orders for 2018-2020 Landscape Maintenance of Miscellaneous Areas and Lodi Consolidated Landscape Assessment District No. 2003-1, in the amount of \$400,000.

C-5 Accept Improvements Under Contract for Well 24 Rehabilitation Project (PW)

Accepted the improvements under the contract for Well 24 Rehabilitation Project.

C-6 Accept Improvements Under Contract for 2018 Pavement Resurfacing Project (PW)

Accepted the improvements under the contract for 2018 Pavement Resurfacing Project.

C-7 Adopt Resolution Authorizing City Manager to Execute One-Year Extension to Professional Services Agreement with EES Consulting, of Kirkland, Washington, for Electric Utility Rate Analysis Services (EU)

Adopted Resolution No. 2018-235 authorizing the City Manager to execute one-year extension to the Professional Services Agreement with EES Consulting, of Kirkland, Washington, for Electric Utility rate analysis services.

C-8 Adopt Resolution Authorizing City Manager to Execute Agricultural Leases for White Slough Water Pollution Control Facility (PW)

Adopted Resolution No. 2018-236 authorizing the City Manager to execute agricultural leases for White Slough Water Pollution Control Facility.

D. Comments by the Public on Non-Agenda Items

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Alex Aliferis presented information on Veterans for Child Rescue (filed), created to end human trafficking and protect children from being exploited. He requested that law enforcement make this its priority in arrests and take a zero tolerance stand against these types of predators.

E. Comments by the City Council Members on Non-Agenda Items

Council Member Johnson commented on the City of Stockton's proposed new General Plan, which could negatively impact the area north of Eight Mile Road and the City's long-standing attempts to maintain green space between Lodi and Stockton. He requested staff provide a briefing to Council on what Stockton's new General Plan may mean for Lodi and what actions the City can take to prevent the loss of the greenbelt.

Council Member Chandler provided the following report: 1) he and Mayor Pro Tempore Mounce attended Veteran's Day festivities on November 11, 2018, at which third and fourth graders handed out thank you cards to Veterans; 2) he and Council Member Kuehne attended the Homeless Committee meeting last week; 3) he attended the parade of lights on December 6, 2018; 4) he and Mayor Pro Tempore Mounce attended the Lodi Police Partners Appreciation dinner on December 8, 2018; and 5) he attended the dedication of the Rick Cromwell Community Room at the Lodi Police Department.

Mayor Pro Tempore Mounce also reported on the Lodi Police Partners Appreciation dinner and outlined the number of volunteer hours Partners provides the City, as well as the thousands of dollars in savings. She reported that she was a judge at the parade of lights this year and how difficult the choice was because there were so many wonderful floats. Further, she reported that she met with the Chief of Staff of the Mayor of Stockton and communicated to him that the City of Lodi was disappointed in Stockton's General Plan decision. She stated Stockton intends on moving forward with the Spanos Project and that Lodi needs to act now to prevent losing the green space between the two communities.

F. Comments by the City Manager on Non-Agenda Items

Instead of highlighting the Council's accomplishments over the past year, City Manager Schwabauer highlighted the most transformative actions the City has taken over last 20 years, including the PCE/TCE groundwater contamination lawsuit that threatened the safety of Lodi citizens; the construction of the water treatment plant and recycling of all wastewater; the City's commitment to ensuring a sustainable water supply; and voters' approval of Measure L, which will enable the City to continue to provide the services it does today. He thanked the community for making this decision and Council for its many accomplishments this year, as well as for generations before it.

G. Reorganization of the City Council

G-1 Adopt Resolution Certifying the Election Results of the November 6, 2018, General Municipal Election

City Clerk Ferraiolo presented the results of the November 6, 2018, General Municipal Election, stating that the San Joaquin Registrar of Voters completed its canvass of election on December 6, 2018, with District 1 electing Alan Nakanishi, District 2 electing Mark Chandler, and District 3 electing Doug Kuehne and Measure L receiving a simple majority of the vote, which was further detailed in the Certificate of Election provided to Council as a Blue Sheet item.

Council Member Kuehne made a motion, second by Council Member Johnson, to adopt Resolution No. 2018-237 certifying the election results of the November 6, 2018, General Municipal Election.

VOTE:

The above motion carried by the following vote:

Ayes: Council Member Chandler, Council Member Johnson, Council Member Kuehne, Mayor Pro Tempore Mounce, and Mayor Nakanishi

Noes: None
Absent: None

G-2 Presentation to Outgoing Mayor

City Manager Schwabauer presented outgoing Mayor Nakanishi with a plaque in appreciation of his dedicated service to this community. Mayor Nakanishi recounted the past year, which started with a threatened lawsuit to move from at-large to by-district elections, followed by the City's first by-district election. He expressed appreciation to the City Manager, City Attorney, and City Clerk for their hard work and efforts in moving through that process. He thanked the departments and all committees that serve the City, adding how impressed he was recently at the Lodi Police Partners Appreciation dinner that volunteers and non-profits provided food for the event and that Chief Patterson and his staff served the food. Further, he thanked his fellow Council Members for allowing him to serve as Mayor and citizens for voting for Measure L and supporting him once again.

G-3 City Clerk to Administer Oath of Office to Lodi City Council Members Elect and Present Certificates of Election

City Clerk Ferraiolo administered the Oath of Office to Lodi City Council Members Alan Nakanishi, Mark Chandler, and Doug Kuehne and presented Certificates of Election.

G-4 Reorganization of the Lodi City Council: a) Election of Mayor and b) Election of Mayor Pro Tempore

City Clerk Ferraiolo, serving as Chair, conducted the election for the office of Mayor as follows.

NOMINATION(S) FOR MAYOR:

1) Council Member Nakanishi made a motion, second by Council Member Mounce, to nominate Council Member Mounce to the office of Mayor.

2) Council Member Johnson made a motion, second by Council Member Kuehne, to nominate Council Member Chandler to the office of Mayor.

There being no further nominations for the office of Mayor, the nominations were closed.

VOTE #1:

In regard to the nomination of Council Member Mounce to the office of Mayor, the motion failed by the following vote.

Ayes: Council Member Mounce, and Council Member Nakanishi

Noes: Council Member Chandler, Council Member Johnson, and Council Member Kuehne

Absent: None

VOTE #2:

1) In regard to the nomination of Council Member Chandler to the office of Mayor, the motion carried by the following vote, thereby adopting Resolution No. 2018-238.

Ayes: Council Member Chandler, Council Member Johnson, and Council Member Kuehne

Noes: Council Member Mounce, and Council Member Nakanishi

Absent: None

Council Member Nakanishi stated he preferred following the Mayoral rotation in order to ensure an amicable City Council relationship.

City Clerk Ferraiolo turned over the gavel to newly-elected Mayor Chandler who then conducted the election for the office of Mayor Pro Tempore.

NOMINATION(S) FOR MAYOR PRO TEMPORE:

1) Mayor Chandler made a motion, second by Council Member Kuehne, to nominate Council Member Kuehne to the office of Mayor Pro Tempore.

There being no further nominations for the office of Mayor Pro Tempore, the nominations were closed.

VOTE:

In regard to the nomination of Council Member Kuehne to the office of Mayor Pro Tempore, the motion carried by the following vote, thereby adopting Resolution No. 2018-239.

Ayes: Council Member Johnson, Council Member Kuehne, Council Member Nakanishi, and Mayor Chandler

Noes: Council Member Mounce

Absent: None

Mayor Chandler thanked voters for supporting Measure L, as well as his wife and campaign committee for their constant support. He assured citizens that the City will be a good steward of the resources that will help move Lodi forward to good days ahead.

H. Adjournment

There being no further business to come before the City Council, the meeting was adjourned at 6:48 p.m.

ATTEST:

Jennifer M. Ferraiolo
City Clerk

**LODI CITY COUNCIL
SHIRTSLEEVE SESSION
CARNEGIE FORUM, 305 WEST PINE STREET
TUESDAY, DECEMBER 11, 2018**

The December 11, 2018, Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was canceled.

ATTEST:

Jennifer M. Ferraiolo
City Clerk

**LODI CITY COUNCIL
SHIRTSLEEVE SESSION
CARNEGIE FORUM, 305 WEST PINE STREET
TUESDAY, DECEMBER 18, 2018**

A. Roll Call by City Clerk

An Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was held Tuesday, December 18, 2019, commencing at 7:04 a.m.

Present: Council Member Johnson, Mayor Pro Tempore Kuehne, and Mayor Chandler

Absent: Council Member Mounce, and Council Member Nakanishi

Also Present: City Manager Schwabauer, City Attorney Magdich, and City Clerk Ferraiolo

NOTE: Council Member Johnson participated in the meeting via teleconference.

B. Topic(s)

B-1 Receive Information on Turner Road/State Route 99 Interchange Improvement Project (PW)

David Ripperda with San Joaquin Council of Governments provided a PowerPoint presentation regarding the Turner Road/State Route 99 Interchange Improvement Project. Specific topics of discussion included Caltrans project initiation document focusing on accidents and safety; background information; area maps; site photos; current alternatives being studied - double signals, signal and roundabout, double roundabout with one-way traffic, and double roundabout with two-way traffic; benefits of Alternative 4; gateway opportunities; and next steps.

In response to Mayor Pro Tempore Kuehne, Mr. Ripperda assured Council that the proposed roundabout would be large enough to handle all sorts of vehicles, including semi-trucks and emergency vehicles, and would be built to Caltrans standards. He further stated that various options for landscaping are being explored, including alternatives such as hardscaping. Mayor Pro Tempore Kuehne suggested the project also include repairs to the cement sections in the area, to which Mr. Ripperda responded that it is not currently in the project scope but it can be considered.

Mayor Chandler added that the concrete divider is cracked and in dire need of repair.

Council Member Johnson stated he is not supportive of statues, monuments, or landscaped areas if they are not adequately maintained and would prefer hardscaping that can be cleaned easily with a leaf blower. City Manager Schwabauer explained that any landscaping in the area would be the City's responsibility to maintain and it would be added to the existing landscape maintenance contract at an added cost.

Myrna Wetzel, member of the public, expressed opposition to roundabouts, stating they are confusing, frightening, and require quick reaction on the part of the driver.

Public Works Director Charlie Swimley requested Council feedback on the various alternatives presented.

Mayor Chandler expressed support for Alternative 4.

Mayor Pro Tempore Kuehne also expressed support for Alternative 4 based on the fact that it eliminates traffic flow in the nearby neighborhood. He stated he prefers light landscaping in front of the first proposed roundabout off of the freeway, including flowering trees and shrubs on the rest of Turner Road, to be added to the City's landscape maintenance contract; however, he is

unsure whether landscaping is necessary on the second roundabout where the proposed artwork or statue would be. He suggested thought be given to a retaining wall on the west side of the entrance to the City on Cherokee Lane near the apartments. With regard to bike lanes, there was discussion some time ago about adding lanes to that area, but he now feels it would be inappropriate and dangerous for that area. He expressed support for the proposed two-way path of travel and again stressed the need to repair the concrete barrier. Mr. Ripperda stated there is potential for a low retaining wall along the area widening on Highway 99 and that either landscaping or hardscaping can be done in the area to make it more friendly for pedestrians, all of which will be discussed further down the line once the primary traffic decisions are made.

In response to Council Member Johnson, Mr. Swimley stated that, while it is not currently on the schedule, moving forward with Alternative 4 would set the groundwork for improving the turning movements and access to Highway 99 from Cherokee Lane.

C. Comments by Public on Non-Agenda Items

None.

D. Adjournment

No action was taken by the City Council. The meeting was adjourned at 7:35 a.m.

ATTEST:

Jennifer M. Ferraiolo
City Clerk

**LODI CITY COUNCIL
REGULAR CITY COUNCIL MEETING
CARNEGIE FORUM, 305 WEST PINE STREET
WEDNESDAY, DECEMBER 19, 2018**

C-1 Call to Order / Roll Call

The City Council Closed Session meeting of December 19, 2018, was called to order by Mayor Chandler at 6:16 p.m.

Present: Council Member Johnson, Council Member Mounce, Council Member Nakanishi, Mayor Pro Tempore Kuehne, and Mayor Chandler

Absent: None

Also Present: City Manager Schwabauer, City Attorney Magdich, and City Clerk Ferraiolo

NOTE: Council Member Johnson participated in the meeting via teleconference.

C-2 Announcement of Closed Session

- a) Conference with Adele Post, Human Resources Manager, and Andrew Keys, Deputy City Manager (Labor Negotiators), Regarding Police Officers Association of Lodi, International Brotherhood of Electrical Workers, Lodi Police Dispatchers Association, and Fire Mid-Management Pursuant to Government Code §54957.6 (CM)
- b) Review of Council Appointees – City Manager, City Attorney, and City Clerk to Include Compensation Evaluation Pursuant to Government Code §54957
- c) Actual Litigation: Government Code §54956.9; Five Applications; Richard Gerlack v. City of Lodi; Workers Compensation; WCAB Case Nos. ADJ5697157 (DOI: 03/20/2003); ADJ8807647 (DOI: 05/23/2009); ADJ8677568 (DOI: 06/24/2009); ADJ8797345 (DOI: 07/14/2009); and AJD8797348 (DOI: CT-08/10/2010) (CA/Risk)
- d) Threatened Litigation: Government Code §54956.9(b); One Case; Potential Suit by Thomas Gabriel against City of Lodi Based on Retirement Benefits – Conversion of Sick Leave (CA)

C-3 Adjourn to Closed Session

At 6:16 p.m., Mayor Chandler adjourned the meeting to a Closed Session to discuss the above matters. The Closed Session adjourned at 6:56 p.m.

C-4 Return to Open Session / Disclosure of Action

At 7:05 p.m., Mayor Chandler reconvened the City Council meeting, and City Attorney Magdich disclosed the following actions.

Items C-2 a), C-2 c), and C-2 d) were discussion and direction given with no reportable action.

Item C-2 b) was not discussed.

A. Call to Order / Roll Call

The Regular City Council meeting of December 19, 2018, was called to order by Mayor Chandler at 7:05 p.m.

Present: Council Member Johnson, Council Member Mounce, Council Member Nakanishi, Mayor Pro Tempore Kuehne, and Mayor Chandler
Absent: None
Also Present: City Manager Schwabauer, City Attorney Magdich, and City Clerk Ferraiolo

NOTE: Council Member Johnson participated in the meeting via teleconference.

B. Presentations

B-1 Certificate of Appreciation to Lodi Lions Club for Emerson Park Playground Improvements (PRCS)

Mayor Chandler presented a Certificate of Appreciation to Richard Prima representing the Lodi Lions Club in recognition of the Emerson Park playground improvements. Mr. Prima thanked and recognized Lions Club members, City staff and departments, and the many financial donors who made this project possible. He urged anyone interested in becoming involved in the Lodi Lions Club to visit its website at www.lodilions.org. Deputy Parks, Recreation, and Cultural Services (PRCS) Director Cathi DeGroot thanked the Lions Club on behalf of PRCS, the Parks and Recreation Commission, and current and future generations of children in Lodi.

C. Consent Calendar (Reading; Comments by the Public; Council Action)

Council Member Mounce made a motion, second by Council Member Nakanishi, to approve the following items hereinafter set forth, **except those otherwise noted**, in accordance with the report and recommendation of the City Manager.

ROLL CALL VOTE

The City Council held a ROLL CALL vote (all voiced their votes).

VOTE:

The above motion carried by the following vote:

Ayes: Council Member Johnson, Council Member Mounce, Council Member Nakanishi, Mayor Pro Tempore Kuehne, and Mayor Chandler

Noes: None

Absent: None

C-1 Receive Register of Claims in the Amount of \$4,091,293.24 (FIN)

Claims were approved in the amount of \$4,091,293.24.

C-2 Approve Minutes (CLK)

The minutes of November 27, 2018 (Shirtsleeve Session), December 4, 2018 (Shirtsleeve Session), and December 5, 2018 (Regular Meeting) were approved as written.

C-3 Approve Plans and Specifications and Authorize Advertisement for Bids for Blakely Park – Shade Structures (PW)

Approved plans and specifications and authorized advertisement for bids for Blakely Park - Shade Structures.

C-4 Adopt Resolution Authorizing City Manager to Execute Professional Services Agreement with Interwest Consulting Group, Inc., of Elk Grove, for Citywide Bicycle Facilities Detection Improvement Project Design Services (\$59,990) (PW)

Adopted Resolution No. 2018-240 authorizing the City Manager to execute a Professional Services Agreement with Interwest Consulting Group, Inc., of Elk Grove, for Citywide Bicycle Facilities Detection Improvement Project design services, in the amount of \$59,990.

- C-5 Adopt Resolution Authorizing City Manager to Execute Professional Services Agreement with Robertson-Bryan, Inc., of Elk Grove, for Wastewater National Pollutant Discharge Elimination System Permit Regulatory Compliance Services (\$65,378) (PW)

Adopted Resolution No. 2018-241 authorizing the City Manager to execute a Professional Services Agreement with Robertson-Bryan, Inc., of Elk Grove, for wastewater National Pollutant Discharge Elimination System permit regulatory compliance services, in the amount of \$65,378.

- C-6 Adopt Resolution Authorizing City Manager to Execute Professional Services Agreement with Kjeldsen, Sinnock & Neudeck, Inc., of Stockton, for Engineering Services for Lodi Lake Riverbank Stabilization and Restoration Project (\$278,500) and Appropriating Funds (\$278,500) (PW)

Adopted Resolution No. 2018-242 authorizing the City Manager to execute a Professional Services Agreement with Kjeldsen, Sinnock & Neudeck, Inc., of Stockton, for engineering services for Lodi Lake Riverbank Stabilization and Restoration Project, in the amount of \$278,500, and appropriating funds in the amount of \$278,500.

- C-7 Adopt Resolution Authorizing City Manager to Execute Amendment No. 1 to Professional Services Agreement with The Reed Group, Inc., of Sacramento, for Water and Wastewater Financial Plan and Rate Update and Study (\$15,000) (PW)

Adopted Resolution No. 2018-243 authorizing the City Manager to execute Amendment No. 1 to the Professional Services Agreement with The Reed Group, Inc., of Sacramento, for water and wastewater financial plan and rate update and study, in the amount of \$15,000.

- C-8 Adopt Resolution Authorizing City Manager to Execute Amendment No. 2 to Professional Services Agreement with Carollo Engineers, Inc., of Walnut Creek, for Wastewater Operation and Maintenance Assistance Services (\$120,000) (PW)

Adopted Resolution No. 2018-244 authorizing the City Manager to execute Amendment No. 2 to the Professional Services Agreement with Carollo Engineers, Inc., of Walnut Creek, for wastewater operation and maintenance assistance services, in the amount of \$120,000.

- C-9 Adopt Resolution Authorizing City Manager to Execute Amendment No. 3 to Professional Services Agreement with 3D Data Com, of Rancho Cordova, for Lodi Transit Station and Parking Structure Safety and Security Project (PW)

Adopted Resolution No. 2018-245 authorizing the City Manager to execute Amendment No. 3 to the Professional Services Agreement with 3D Data Com, of Rancho Cordova, for Lodi Transit Station and Parking Structure Safety and Security Project.

- C-10 Adopt Resolution Authorizing City Manager to Execute Amendment to Professional Services Agreement with ESCI, Inc., of Bellingham, Washington, for Lodi Electric Utility Safety Services (\$187,284) (EU)

This item was pulled from the agenda pursuant to staff's request.

- C-11 Adopt Resolutions (1) Authorizing Examination of Sales, Use, and Transactions Tax Records and Authorizing City Manager to Execute Amendment No. 1 to Professional Services Agreement with Hinderliter, de Llamas and Associates, of Diamond Bar, for Measure L Transactions Tax Analysis, Audit, Recovery, and Information Services and (2) Authorizing City Manager to Execute Agreements with California Department of Tax and Fee Administration for Implementation of a Local Transactions and Use Tax (CM)

Adopted Resolution No. 2018-246 authorizing examination of sales, use, and transactions tax records and authorizing the City Manager to execute Amendment No. 1 to the Professional Services Agreement with Hinderliter, de Llamas and Associates, of Diamond Bar, for Measure L transactions tax analysis, audit, recovery, and information services and Resolution No. 2018-247

authorizing the City Manager to execute agreements with California Department of Tax and Fee Administration for implementation of a local transactions and use tax.

C-12 Adopt Resolution Approving Final Map for Church Street Village, Tract No. 3988 (PW)

Adopted Resolution No. 2018-248 approving Final Map for Church Street Village, Tract No. 3988.

C-13 Adopt Resolution in Support of Autonomous Vehicle Testing as a Public Safety and Economic Development Incentive (CLK)

This item was pulled from the Consent Calendar at the request of a member of the public.

Alex Aliferis requested that Council reject the resolution regarding autonomous vehicles based on the fact that there have been fatal accidents involving autonomous vehicles, resulting in one governor banning these types of vehicles. In addition, these vehicles are not an economic incentive because they will begin to replace the human workforce and cause people like truck drivers to lose their jobs.

Mayor Pro Tempore Kuehne pointed out there are phases in the evolution of autonomous vehicles and this is still in the early stages. Further, he stated the resolution does not state the City of Lodi wants autonomous vehicles in its community; rather, it states that the City is interested in the technology associated with those vehicles, how they can be implemented, and how the City can prepare for it. City Manager Schwabauer added this is not a binding resolution setting rules and regulations or terms and conditions on autonomous vehicles; it is more of a welcome.

Council Member Nakanishi stated this was supported by the San Joaquin County Board of Supervisors and that it is continuing to be monitored through San Joaquin Council of Governments, on which Mayor Pro Tempore Kuehne serves; therefore, he was comfortable supporting it.

Mayor Pro Tempore Kuehne made a motion, second by Council Member Nakanishi, to adopt Resolution No. 2018-249 in support of autonomous vehicle testing as a public safety and economic development incentive.

ROLL CALL VOTE

The City Council held a ROLL CALL vote (all voiced their votes).

VOTE:

The above motion carried by the following vote:

Ayes: Council Member Johnson, Council Member Mounce, Council Member Nakanishi, Mayor Pro Tempore Kuehne, and Mayor Chandler

Noes: None

Absent: None

C-14 Accept Monthly Protocol Account Report through November 30, 2018 (CLK)

Accepted Monthly Protocol Account Report through November 30, 2018.

C-15 Set Public Hearing for January 16, 2019, to Consider Modification/Elimination of Condition 46 of Resolution No. 2018-139 for the 76 Gas Station at 141 East Harney Lane (CD)

This item was pulled from the agenda pursuant to staff's request.

D. Comments by the Public on Non-Agenda Items

THE TIME ALLOWED PER NON-AGENDA ITEM FOR COMMENTS MADE BY THE PUBLIC IS LIMITED TO FIVE MINUTES.

Public comment may only be made on matters within the Lodi City Council's jurisdiction (Government Code Section 54954.3, Lodi City Council Protocol Manual Section 6.3I). The

Council cannot take action or deliberate on items that are not on this agenda unless there is an emergency and the need to take action on that emergency arose after this agenda was posted (Government Code Section 54954.2(b)(2)). All other items may only be referred for review to staff or placement on a future Council agenda.

Dean Machado, owner of Woodlake Cleaners, shared recent incidents at his business involving an employee who stole company money, supplies, and client lists, as well as personal belongings; sold client lists to competing companies; and threatened, harassed, and stalked them, their family, and their customers. Despite filing a police report against this employee, he and his wife, as owners of the business, were served with a restraining order by this individual and were told that the District Attorney would not prosecute because the City does not take legal action against misdemeanors as it would not recover its money on the case. He asked that the City reconsider and take action against this individual. Rebecca Machado thanked Council and staff for listening and considering their request.

City Manager Schwabauer responded that he will discuss this matter with the Police Chief and get back to them tomorrow because the City takes these issues seriously. He further explained that the District Attorney does not work for the City of Lodi and cannot make representations on its behalf and that Lodi is not in the business of making money off criminal cases it tries.

Marilyn Hughes expressed frustration that she cannot locate Council district information on the website to help her decide for whom to vote. Further, she expressed disappointment in the recent Council reorganization results, stating it sends a negative message to girls in the community. She suggested the City offer presentations once or twice a year demonstrating that women can be on the Council or a board or commission and that they can move into key positions within the City.

Mr. Schwabauer responded that the district map is on the City Clerk's election page; however, beginning in January 2019, the City will have a more transparent, user-friendly website that will make it easier for people to find information. He stated the City Clerk will mail her a copy of the district map.

Alex Aliferis reminded Council to continue to be focused and engaged on pension reform, despite the passage of Measure L. He stated that, just because the measure passed, the pension situation does not go away or resolve itself.

Jacki Lauchland Shaw made comments relating to Item H-6 (Perrin Ranch), which was postponed to January 16, 2019, on protecting the greenbelt south of Lodi, reducing traffic smog from increased housing, ensuring adequate water supply, and promoting jobs in the wine industry, as well as wine tourism.

E. Comments by the City Council Members on Non-Agenda Items

In response to Alex Aliferis, Council Member Mounce assured that the League of California Cities continues to work diligently on pension reform and it is once again one of the League's top three priorities. Further, Council Member Mounce commented on a letter received by Richard Sanborn regarding the shabby condition of Cherokee Lane, stating this area serves as a gateway to the community and includes hotels bringing visitors to town and it should be cleaned up.

F. Comments by the City Manager on Non-Agenda Items

None.

G. Public Hearings – None

H. Regular Calendar

H-1 Adopt Resolution Approving Memorandum of Understanding between City of Lodi and Lodi Police Dispatchers Association for Period January 1, 2018 through June 30, 2019 (CM)

Human Resources Manager Adele Post provided a presentation regarding the Memorandum of Understanding (MOU) between City of Lodi and Lodi Police Dispatchers Association. Specific topics of discussion included highlights of the redline MOU including 18-month term of contract ending June 30, 2019; increase to the City's maximum contribution to healthcare premiums by 5 percent; one-time bank of 40 hours of non-cashable leave to be used by December 31, 2019; amendment to Flexible 125 plan to provide carryover of contributions; 3 percent salary adjustment effective October 22, 2018 for a 3 percent employee contribution of California Public Employees Retirement System; and 1 percent salary adjustment for the Lead Dispatcher classification, effective October 22, 2018.

Council Member Nakanishi informed the public that Council spent many hours discussing all of the employee contracts in closed session.

Council Member Mounce made a motion, second by Mayor Pro Tempore Kuehne, to adopt Resolution No. 2018-250 approving the Memorandum of Understanding between City of Lodi and Lodi Police Dispatchers Association for the period of January 1, 2018 through June 30, 2019.

ROLL CALL VOTE

The City Council held a ROLL CALL vote (all voiced their votes).

VOTE:

The above motion carried by the following vote:

Ayes: Council Member Johnson, Council Member Mounce, Council Member Nakanishi, Mayor Pro Tempore Kuehne, and Mayor Chandler

Noes: None

Absent: None

H-2 Adopt Resolution Approving Side Letter Amending Statement of Benefits between City of Lodi and Fire Mid-Management for Period January 1, 2018 through June 30, 2019 (CM)

Human Resources Manager Adele Post provided a presentation regarding the side-letter agreement amending the Statement of Benefits between City of Lodi and Fire Mid-Management. Specific topics of discussion included changes to previously-approved Statement of Benefits to amend language regarding unilateral elimination of salary adjustment with regard to the cost-sharing agreement and to add the special leave bank that was inadvertently left out of the agreement.

Council Member Mounce made a motion, second by Council Member Nakanishi, to adopt Resolution No. 2018-251 approving the side-letter agreement amending the Statement of Benefits between City of Lodi and Fire Mid-Management for the period of January 1, 2018 through June 30, 2019.

ROLL CALL VOTE

The City Council held a ROLL CALL vote (all voiced their votes).

VOTE:

The above motion carried by the following vote:

Ayes: Council Member Johnson, Council Member Mounce, Council Member Nakanishi, Mayor Pro Tempore Kuehne, and Mayor Chandler

Noes: None

Absent: None

H-3 Adopt Resolution Approving Side Letter Amending Memorandum of Understanding between City of Lodi and Police Officers Association of Lodi for Period January 1, 2018 through June 30, 2019 (CM)

Human Resources Manager Adele Post provided a presentation regarding the side-letter agreement amending the Memorandum of Understanding between City of Lodi and Police Officers Association of Lodi. Specific topics of discussion included grievance filed by Police

Officers Association relating to cash out of vacation, mutual agreement to include all incentives in the vacation cash out calculation; only two employees impacted in 2018; and cost of \$1,100 for 2018.

Council Member Mounce made a motion, second by Mayor Pro Tempore Kuehne, to adopt Resolution No. 2018-252 approving the side-letter agreement amending the Memorandum of Understanding between City of Lodi and Police Officers Association of Lodi for the period of January 1, 2018 through June 30, 2019.

ROLL CALL VOTE

The City Council held a ROLL CALL vote (all voiced their votes).

VOTE:

The above motion carried by the following vote:

Ayes: Council Member Johnson, Council Member Mounce, Council Member Nakanishi, Mayor Pro Tempore Kuehne, and Mayor Chandler

Noes: None

Absent: None

H-4 Adopt Resolution Approving Revisions to Contracts for City of Lodi Council Appointees Amending Compensation and Benefits

Human Resources Manager Adele Post provided a presentation regarding revisions to contracts for City of Lodi Council Appointees amending compensation and benefits. Specific topics of discussion included Council performance reviews of Council Appointees; highlights of recommendations including increase to the City's maximum contribution to healthcare premiums by 5 percent, amendment to the Flexible 125 plan to provide for carryover of contributions, and 3 percent salary adjustment effective December 3, 2018 for a 3 percent employee cost contribution of the employer's contribution toward California Public Employees Retirement System; and 5 percent salary increase effective November 19, 2018 for City Attorney to compensate for taking on risk management duties and oversight of workers compensation, general liability, insurance, claims, and safety.

Council Member Mounce made a motion, second by Mayor Pro Tempore Kuehne, to adopt Resolution No. 2018-253 approving revisions to the contracts for City of Lodi Council Appointees amending compensation and benefits.

ROLL CALL VOTE

The City Council held a ROLL CALL vote (all voiced their votes).

VOTE:

The above motion carried by the following vote:

Ayes: Council Member Johnson, Council Member Mounce, Council Member Nakanishi, Mayor Pro Tempore Kuehne, and Mayor Chandler

Noes: None

Absent: None

H-5 Adopt Resolution Rescinding Resolution No. 2014-161 and Approving Benefit Modifications for Council Members (CM)

Human Resources Manager Adele Post provided a presentation regarding benefit modifications for Council Members. Specific topics of discussion included highlight of the sole modification to Council benefits to increase the City's maximum contribution to healthcare premiums as was provided to all employees and recommendation to adopt resolution outlining all of the Council benefits.

City Manager Schwabauer stated that, with this action, negotiations for the last year are concluded with most contracts expiring in the next 6 to 12 months. He expressed appreciation to

employees for understanding the City's financial situation and not demanding overall salary increases for the year.

Mayor Pro Tempore Kuehne made a motion, second by Council Member Nakanishi, to adopt Resolution No. 2018-254 rescinding Resolution No. 2014-161 and approving benefit modifications for Council Members.

ROLL CALL VOTE

The City Council held a ROLL CALL vote (all voiced their votes).

VOTE:

The above motion carried by the following vote:

Ayes: Council Member Johnson, Council Member Mounce, Council Member Nakanishi, Mayor Pro Tempore Kuehne, and Mayor Chandler

Noes: None

Absent: None

H-6 Consider Adopting Resolution Authorizing City Manager to Execute Reimbursement Agreement with Anthem United Perrin Ranch, Limited Partnership, for Annexation Entitlement Processing and Environmental Review Services for Proposed Perrin Ranch Project at 1890 East Harney Lane (CD)

This item was pulled from the agenda pursuant to staff's request.

I. Ordinances – None

J. Reorganization of the Following Agency Meetings: Lodi Public Improvement Corporation, Industrial Development Authority, Lodi Financing Corporation, and Lodi Public Financing Authority

Council Member Mounce made a motion, second by Mayor Pro Tempore Kuehne, to adopt the following resolutions: Resolution No. LPIC2018-01 reorganizing the Lodi Public Improvement Corporation; Resolution No. IDA-41 reorganizing the Industrial Development Authority; Resolution No. LFC-28 reorganizing the Lodi Financing Corporation; and Resolution No. LFPA2018-02 reorganizing the Lodi Public Financing Authority.

ROLL CALL VOTE

The City Council held a ROLL CALL vote (all voiced their votes).

VOTE:

The above motion carried by the following vote:

Ayes: Council Member Johnson, Council Member Mounce, Council Member Nakanishi, Mayor Pro Tempore Kuehne, and Mayor Chandler

Noes: None

Absent: None

K. Adjournment

Mayor Chandler wished everyone a Merry Christmas. There being no further business to come before the City Council, the meeting was adjourned at 8:03 p.m.

ATTEST:

Jennifer M. Ferraiolo
City Clerk

**LODI CITY COUNCIL
SHIRTSLEEVE SESSION
CARNEGIE FORUM, 305 WEST PINE STREET
TUESDAY, DECEMBER 25, 2018**

The December 25, 2018, Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was canceled.

ATTEST:

Jennifer M. Ferraiolo
City Clerk

**LODI CITY COUNCIL
SHIRTSLEEVE SESSION
CARNEGIE FORUM, 305 WEST PINE STREET
TUESDAY, JANUARY 1, 2019**

The January 1, 2019, Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was canceled.

ATTEST:

Pamela M. Farris
Deputy City Clerk

**LODI CITY COUNCIL
REGULAR CITY COUNCIL MEETING
CARNEGIE FORUM, 305 WEST PINE STREET
WEDNESDAY, JANUARY 2, 2019**

The January 2, 2019 Regular Meeting of the Lodi City Council was canceled.

ATTEST:

Pamela M. Farris
Deputy City Clerk



CITY OF LODI

COUNCIL COMMUNICATION

TM

AGENDA TITLE: Approve Plans and Specifications and Authorize Advertisement for Bids for Lodi Station Parking Garage Elevator Structural Repair Project

MEETING DATE: January 16, 2019

PREPARED BY: Public Works Director

RECOMMENDED ACTION: Approve plans and specifications and authorize advertisement for bids for Lodi Station Parking Garage Elevator Structural Repair Project.

BACKGROUND INFORMATION: The Lodi Station Parking Garage, located at 50 North Sacramento Street, has two elevators to convey patrons to all three floors of the parking structure. On May 15, 2018, a patron, driving a vehicle, hit the north elevator shaft, located on the third floor. The impact caused substantial damages to the elevator equipment and elevator shaft.

Staff contracted Siegfried Engineering, Inc., of Stockton, to perform a structural assessment of the elevator structure after the incident. The assessment report (Exhibit A) determines the elevator structure to be safe but needs structural repair and new elevator equipment to make it operable.

This project consists of performing structural repair to the damaged elevator shaft and exterior wall of the parking structure. The work will prepare the elevator shaft for a separate elevator contractor to perform the elevator equipment repair after the structural repair work is complete.

The plans and specifications are on file in the Public Works Department. The planned bid opening date is February 21, 2019. The project estimate for the structural repair \$100,000. Staff will enter into a separate agreement with an elevator contractor, at a later date, to perform the elevator equipment repair work.

FISCAL IMPACT: The cost to make the necessary repairs to the structure, elevator replacement, and all engineering and Staff time spent on this incident will initially be funded by Transit Capital and recovered through insurance claims.

FUNDING AVAILABLE: Funding will be identified at project award.

Charles E. Swimley, Jr.
Public Works Director

Prepared by Lyman Chang, Deputy Public Works Director/ City Engineer
CES/LC/tdb
Attachment

cc: Siegfried Engineering, Inc.
Deputy Public Works Director/City Engineer
Transportation Manager
Facility Supervisor, Sanford

APPROVED: _____
Stephen Schwabauer, City Manager

Page 1



August 22, 2018

Lyman Chang
 City of Lodi
 Public Works Department
 221 W. Pine Street
 Lodi, CA 95240

Dear Mr. Chang:

**Subject: Lodi Station Parking Garage North Elevator Damage
 Structural Investigation**

As requested, we conducted an investigation of the Lodi Station Parking Garage building located on the east side of Sacramento Street between East Elm and East Pine Streets. This investigation focused on the structural damage to the elevator on the north side of the facility as a result of vehicular damage that occurred on May 5th, 2018. The purpose of this investigation was to provide structural engineering observations of the elevator and surrounding structural elements to identify structural damage or dangerous conditions, and to provide general recommendations for further investigations and/or repairs. This investigation did not include testing, destructive examinations or analysis of the structure. The following is a summary of our observations, findings and recommendations.

General Information

The vehicle damage occurred on the third (top) level of the parking structure at the north elevator. The vehicle accelerated through the third level elevator shaft door for the third level parking deck. The vehicle came to rest halfway into the elevator shaft and was removed later with a tow truck. The impact from the vehicle knocked the third level door into the elevator shaft, damaging the glass paneling on the north side of the elevator shaft. The vehicle also struck the masonry (CMU) wall adjacent to the elevator door and blew out blocks and reinforcing bars. The impact to the elevator door and door frame assembly also caused additional damage to the CMU at the floor deck anchoring points. This damage was evident at the third and second level elevator landings.

We conducted our site investigation on July 31st & August 2nd, 2018. In addition, you had previously provided an electronic copy of the asbuilt construction documents. These plans refer to an "Issued for Bid" date of September 29, 2000 and an "asbuilt" date of April 28, 2003. Therefore, we assume the structure was built between 2001 and 2003. The structural design was performed in accordance with the 1997 Uniform Building Code as noted on sheet S0.1. Siegfried also recently investigated and designed repairs for the entire parking structure as part of an elective maintenance project. The construction documents for this maintenance project are titled "Repair/Maintenance Plan for: Lodi Station Parking Structure" dated August 22, 2017. Construction for this maintenance project was completed in May 2018.

The primary garage structure consists of post tensioned concrete floor slabs and beams, cast in place concrete walls, columns, slab on grade and foundations, and masonry walls. The portion of the structure constructed over the occupied museum section facing Sacramento Street has a steel framed roof with steel metal decking.

The north elevator shaft consists of reinforced masonry walls with portions of glass glazing on the north and west side. There is a 4-foot-deep masonry pit at the bottom of the elevator shaft. There is an adjacent equipment room to the east that is also open to the roof above the third level of the parking structure. The roof structure consists of roofing over corrugated metal decking. The decking is supported on the face of the elevator shaft walls by steel angle ledgers. There is a metal canopy that covers the entrance to the elevator on the third level.

Stockton

3244 Brookside Rd., Ste. 100
 Stockton, CA 95219
 t: 209.943.2021 f: 209.942.0214

San Jose

111 N. Market St., Ste. 300
 San Jose, CA 95113
 t: 408.754.2021

Sacramento

109 Scripps Drive
 Sacramento, CA 95825
 t: 916.520.2777

Modesto

100 Sycamore Ave, Ste. 100
 Modesto, CA, 95354
 t: 209.762.3580

Observations

The following is an itemized list of damaged items we observed which are depicted on the attached Exhibit A;

1. *Brick Veneer*
The vehicle swiped and damaged the brick veneer adjacent to the elevator shaft on the third level (Photo 1). This veneer covers the masonry wall as is only aesthetic in nature.
2. *Masonry Walls*
The vehicle blew out a portion of the south shaft wall adjacent to the opening for the elevator door on the third level (Photo 2). The remaining portion of the masonry below the metal canopy that was not destroyed has significant cracking and exposed reinforcing (Photo 3). We did not observe any structural damage to the masonry wall above the lintel of the elevator door on the third level (Photo 4). The damage to the masonry extends down the wall below the third level landing down to the second level door opening. The spalling of the masonry does not extend below the lintel of the elevator door on the second level. We found no apparent damage to the masonry on the first level. The damage also appears to be limited to the south wall of the elevator shaft only.
3. *Elevator Thresholds*
The elevator entrance threshold on the third level shows minor spalling (Photo 5). We also observed signs of lateral separation, up to 3/4" inch, of the elevator shaft from the third level slab at the ledger to deck connection from the second level looking up (Photo 6A).
4. *Glazing/Aluminum Mullion*
Upon impact, the elevator doors on the third level blew off and struck the back (north side) of the elevator shaft. The cab of the elevator is assumed to have been on the first level at this time. The masonry portion of the wall was not significantly damaged. However, there were multiple panes of glazing that were either shattered or severely cracked (Photo 7). Upon further inspection, the surrounding aluminum mullion does not appear to be significantly bent or damaged.
5. *Elevator Frame Connections*
This report does not include an evaluation of elevator components, however we did observe additional damage to the masonry walls from the elevator frame anchors pulling out of the wall (Photo 8). The guide rail connection to the masonry walls appear to remain in good condition (Photo 9) throughout the elevator shaft.

Findings and Repair Recommendations

The following is a summary of our recommendations for repair of the damage identified. The item numbers correspond to the item numbers listed in the "Observation" section above.

Item 1

The portions of damaged brick veneer can be replaced. This is an aesthetic issue and does not represent structural damage or hazards.

Item 2

The damage to the masonry walls was caused by direct vehicle impact and the breakout of the anchors from the elevator door frames. This damage appears to be limited to portions of the south wall at the second and third levels. The masonry will require saw cutting and replacement. The new masonry reinforcing will need to be doweled into the adjacent portion of sound walls.

Stockton

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Modesto

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Modesto, CA, 95354
t: 209.762.3580

Item 3

The elevator threshold on the third level will require structural repair to level with elevator door frame. The lateral separation between masonry shaft wall and parking deck noted in Picture 6A is significant. However, we compared this separation to the separation we noted in our 2016 investigation (Picture 6B). There appears to be no significant difference in the amount of movement of the elevator shaft. Therefore, the overall elevator shaft has not moved.

Item 4

The damaged panes of glass appear to be a direct result of the impact from the separated third level elevator doors. We recommend replacing these individual panes of glass and verification by the window contractor that the surrounding aluminum mullion is not damaged and can be reused.

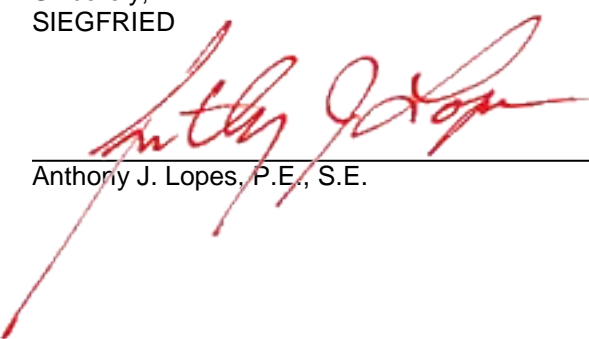
Item 5

The bolts anchoring the elevator door frames to the masonry walls cannot be reused in areas where the walls are damaged. After the masonry walls are repaired, new anchors will need to be installed per the elevator equipment manufacturer specifications. Anchors in locations where the frame has not been damaged are likely able to be reused; pending analysis of the existing elevator equipment by a qualified professional.

Overall, we did not find any condition in immediate danger of structural failure or creating a current unsafe condition for the overall structure. The elevator shaft can be reused with moderate repairs; mainly to the masonry walls and elevator thresholds. This report does include the evaluation of the condition of the elevator equipment or the feasibility of replacing required elevator components. We recommend consulting with an elevator equipment manufacturer to determine the most appropriate course of action in repairing or replacing elevator equipment.

We trust this information will be helpful in evaluating the use, maintenance and repairs for this building. If you should have any questions or need additional information, please do not hesitate to give us a call.

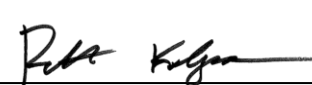
Sincerely,
SIEGFRIED



Anthony J. Lopes, P.E., S.E.



DATE SIGNED: 8/22/2018



Rhett S. Kilgore, P.E.



DATE SIGNED: 8/22/2018

Stockton

3244 Brookside Rd., Ste. 100
Stockton, CA 95219
t: 209.943.2021 f: 209.942.0214

San Jose

111 N. Market St., Ste. 300
San Jose, CA 95113
t: 408.754.2021

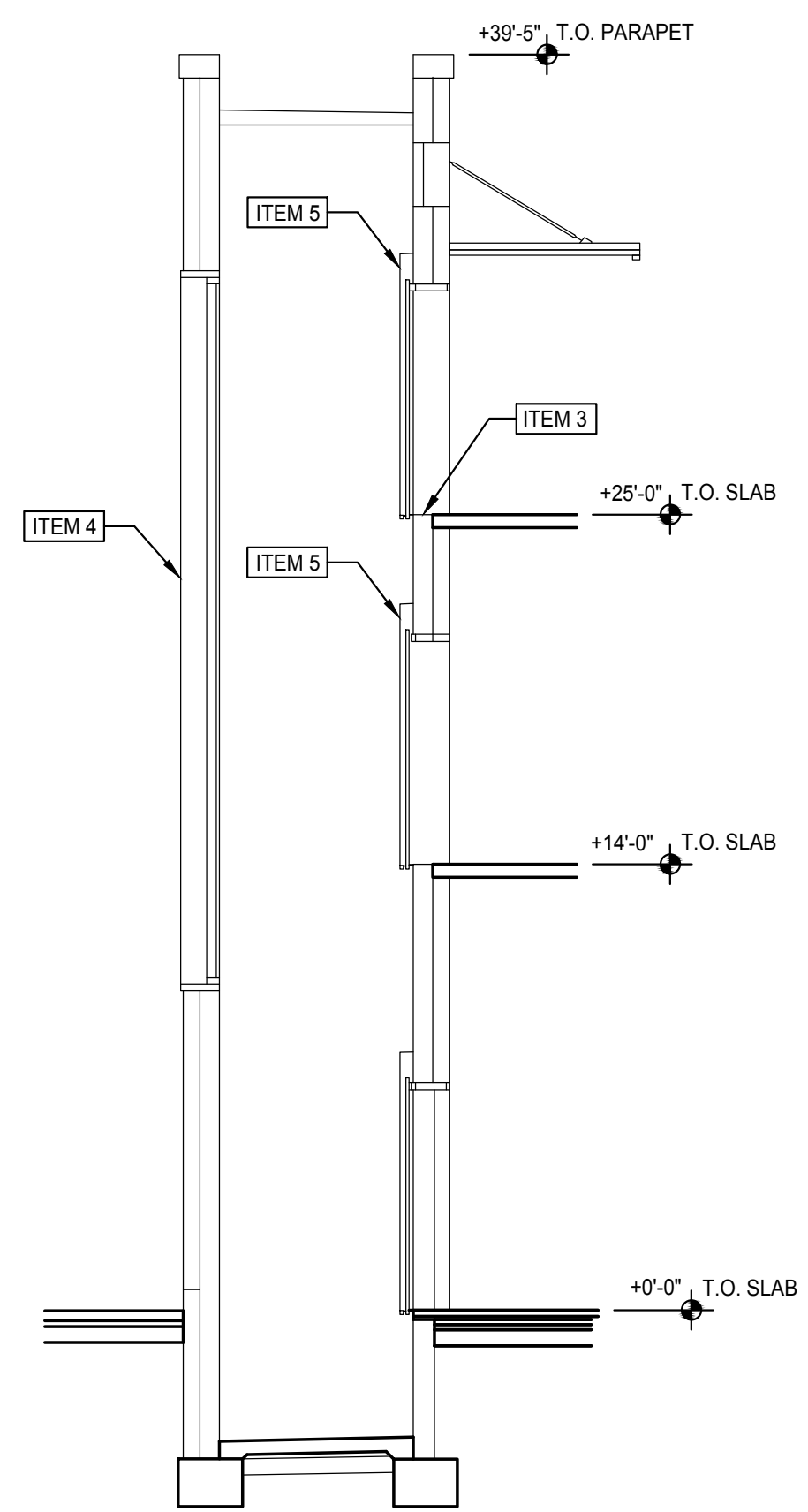
Sacramento

109 Scripps Drive
Sacramento, CA 95825
t: 916.520.2777

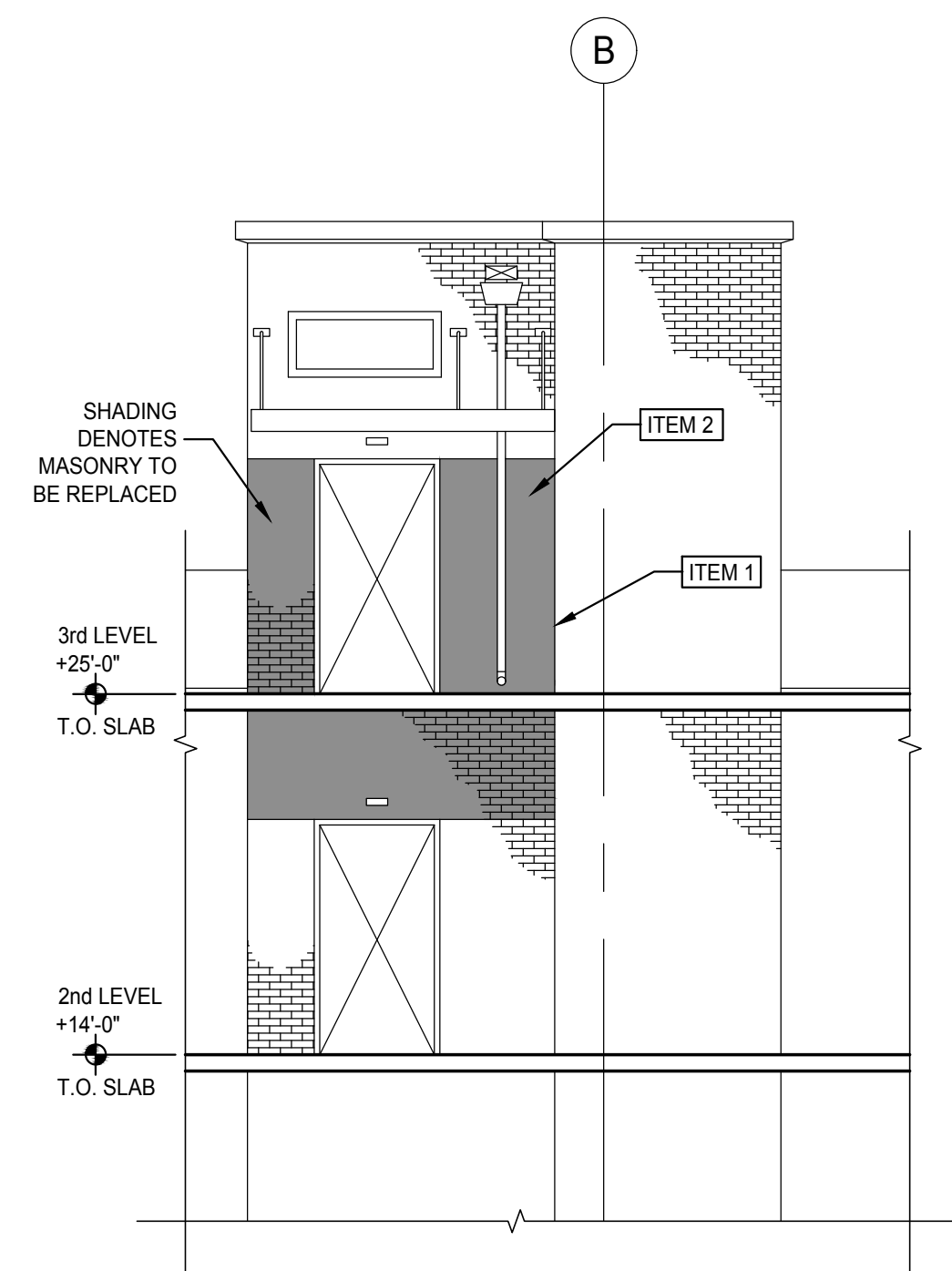
Modesto

100 Sycamore Ave., Ste. 100
Modesto, CA, 95354
t: 209.762.3580

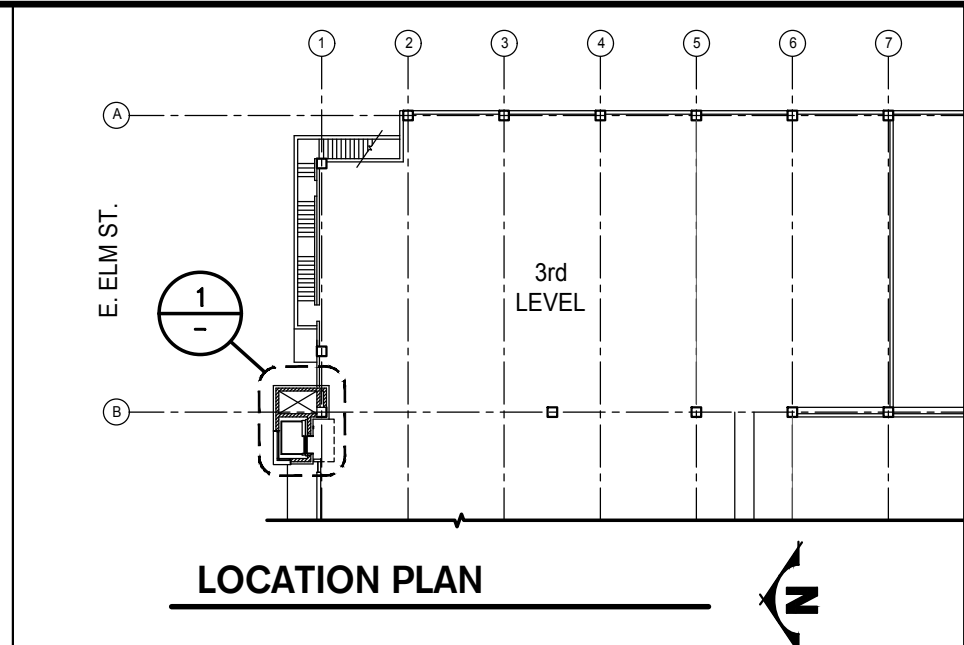
F:\16projects\16053 Lodi Station Parking Structure\16053B- Elevator Repairs\Plans and Graphics\Improvement Plans\16053 Elev Repairs.dwg -- 08/22/18



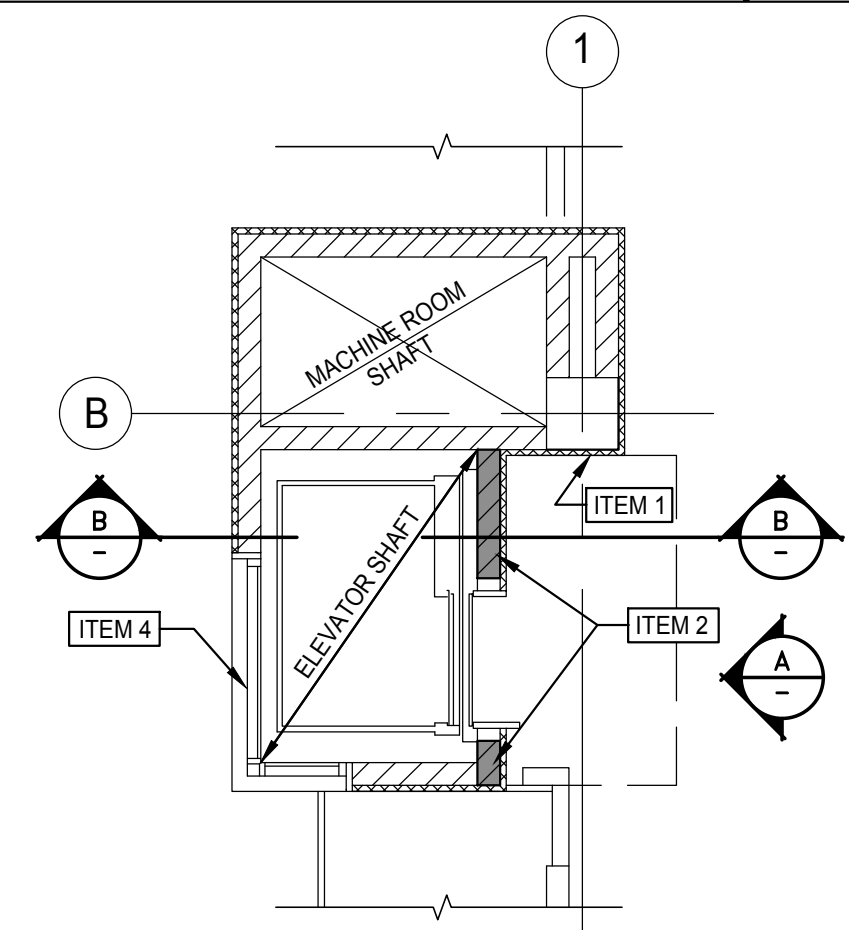
B SECTION



A ELEVATOR ELEVATION



LOCATION PLAN



1 ELEVATOR PLAN VEIW

SIEGFRIED
3244 Brookside Road, Suite 100 Stockton, California 95219
209-943-2021 www.siegfriedeng.com Fx: 209-942-0214

- CIVIL ENGINEERING
- STRUCTURAL ENGINEERING
- LAND SURVEYING
- LANDSCAPE ARCHITECTURE

| | | | |
|---|--|----------|--------------|
| Elevator Shaft Repair | | JOB NO. | 16053B |
| | | DATE | Aug. 22 2018 |
| | | SCALE | As Shown |
| Lodi Station Parking Structure 50 N. Sacramento Street Lodi, CA | | DRAWN BY | RJS |
| | | DESIGNER | RSK |
| | | SHEET | EXA |

Exhibit B

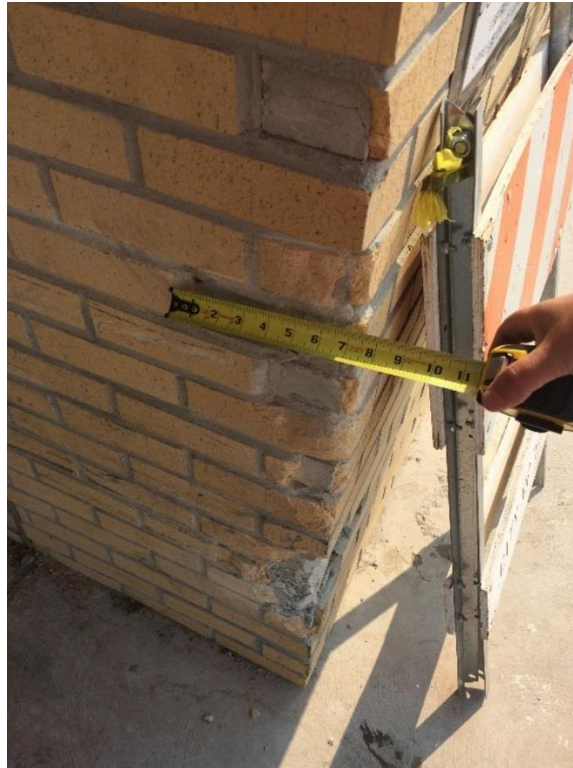


Photo 1 – Third Level Brick Veneer Damage



Photo 2 – Third Level Masonry Wall Damage

Stockton

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Modesto, CA, 95354
t: 209.762.3580



Photo 3 – Masonry Wall Cracking/Exposed Reinforcing

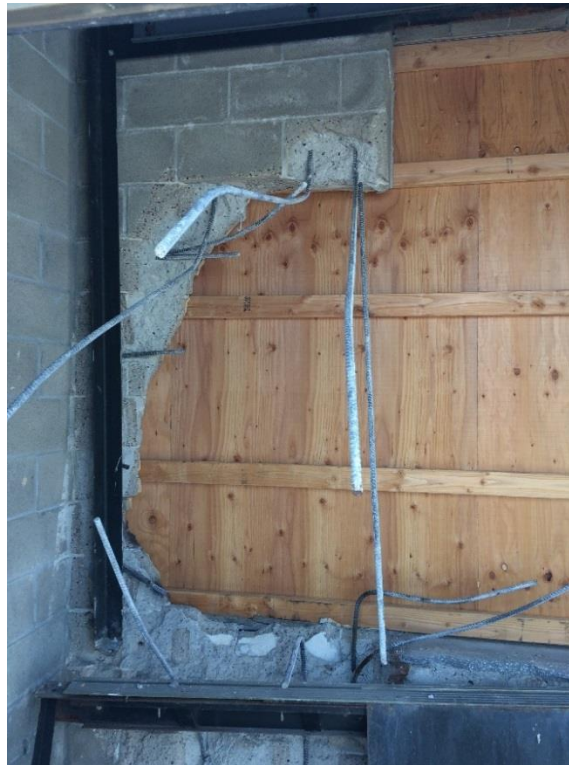


Photo 4 – Third Level Masonry Wall Damage Extends From Shaft Interior

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Photo 5 – Third Level Threshold Damage



Photo 6A – Third Level Deck Lateral Separation Form Elevator Shaft, Looking From Second Level Up At Steel Ledger Angle

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Photo 6B – Third Level Deck Lateral Separation Form Elevator Shaft, Looking From Second Level Up At Steel Ledger Angle **From 2016 Siegfried Investigation**



Photo 7 – Shaft Glazing Damage From Door impact

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Photo 8 – Door Frame Separation At Third Level

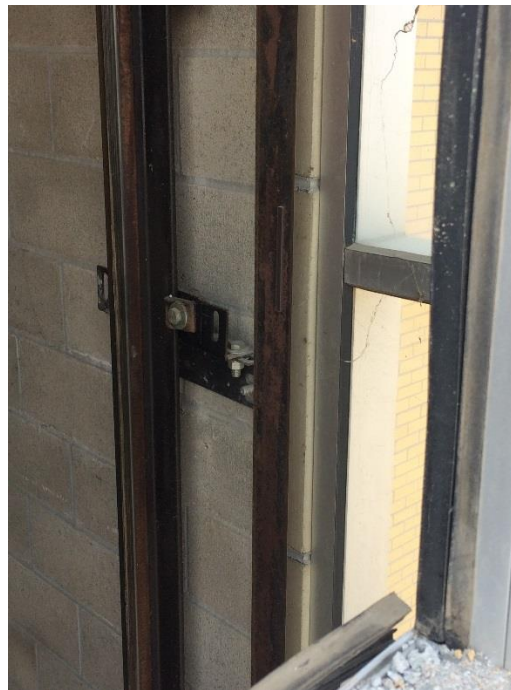


Photo 9 – Typical Guiderail Anchorage

Stockton

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t: 209.943.2021 f: 209.942.0214

San Jose

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Modesto

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Modesto, CA, 95354
t: 209.762.3580



CITY OF LODI

COUNCIL COMMUNICATION

TM

AGENDA TITLE: Accept Improvements Under Contract for Compressed Natural Gas Fueling Station Improvements Project

MEETING DATE: January 16, 2019

PREPARED BY: Public Works Director

RECOMMENDED ACTION: Accept improvements under contract for Compress Natural Gas Fueling Station Improvements Project.

BACKGROUND INFORMATION: This project was awarded to TNT Industrial Contractors, Inc., of Sacramento, on November 2, 2016, in the amount of \$232,999. The contract has been completed in substantial conformance with the plans and specifications approved by City Council on August 3, 2016.

This project consisted of replacing failed components and various improvements and upgrades to the Compressed Natural Gas (CNG) fueling station that was originally constructed in 2002. The improvements included upgrading or replacing the compressor control panel for lead lag operation and remote monitoring of the two compressors, installation of a second natural gas dryer, replacing the dispenser on the Fuel Island, and repairs necessary to bring the slow fill system back in operation.

The project completion date was December 31, 2018. The final cost of the project was \$259,385. The difference between the original contract amount and final contract amount is due to two change orders needed to address additional repairs requested by the City.

Change Order No. 1 included the installation of staff-requested, CNG nozzles that are more compatible with the City's newer Transit vehicles. This was a safety-related request (\$7,990).

Change Order No. 2 included updated compressor monitoring system components needed to replace the existing, outdated system that lacked sufficient computer memory to function properly with the upgrades (\$17,740).

The work was substantially complete in early 2018. The reason for the delay in Council acceptance is related to delayed project submittals by the contractor and permitting issues.

Following acceptance by the City Council, as required by law, the City Engineer will file a Notice of Completion with the County Recorder's office. The notice serves to notify vendors and subcontractors that the project is complete and begins their 30-day period to file a stop notice requiring the City to withhold payments from the prime contractor in the event of a payment dispute.

FISCAL IMPACT: There will be a decrease in annual maintenance costs associated with these upgrades.

APPROVED: _____
 Stephen Schwabauer, City Manager

FUNDING AVAILABLE: This project was funded by Transportation Development Act funds (60199000.77020).

Charles E. Swimley, Jr.
Public Works Director

Prepared by Lyman Chang, City Engineer/Deputy Public Works Director
CES/LC/tdb

cc: Transportation Manager
Public Works Management Analyst
Construction Project Manager
City Engineer/Deputy Public Works Director
TNT Industrial Contractors, Inc.



CITY OF LODI

COUNCIL COMMUNICATION

TM

AGENDA TITLE: Adopt Resolution Rescinding Resolution No. 2018-100 and Authorizing City Manager to Execute Professional Services Agreement with Henderson Brothers Company, of Lodi, for City Facilities Plumbing Repair Services (\$40,000)

MEETING DATE: January 16, 2019

PREPARED BY: Public Works Director

RECOMMENDED ACTION: Adopt resolution rescinding Resolution No. 2018-100 and authorizing City Manager to execute Professional Services Agreement with Henderson Brothers Company, of Lodi, for City facilities plumbing repair services, in the amount of \$40,000.

BACKGROUND INFORMATION: The City maintains over 400,000 square feet of buildings with varying plumbing repair needs that often are outside the expertise and scope of work performed by the Facilities Division Staff. An on-call agreement allows timely response to plumbing repairs as they arise at the various City facilities.

Staff received written quotes from three local plumbing companies with ABC Plumbing, Heating, & Air Conditioning being the lowest. Quotes are based on the lowest hourly rate and percent mark-up on parts and materials. The Professional Services Agreement is for a term of two years and provides for the option of one, one-year extension.

Council adopted Resolution No. 2018-100 on June 6, 2018, authorizing the City Manager to execute the Professional Services Agreement with ABC Plumbing, Heating, & Air Conditioning. After the agreement was sent to ABC Plumbing, Heating, & Air Conditioning for execution, we were informed that it could not honor the bid price provided and wished to withdraw the bid. City Staff contacted the second-lowest bidder, Henderson Brothers Company, of Lodi, to confirm that it was interested in contracting with the City for Citywide plumbing services and to determine if it would honor the bid previously submitted. Henderson Brothers Company has confirmed it is willing to enter into an agreement with the City.

The difference in the hourly labor rate between ABC Plumbing, Heating, & Air Conditioning and Henderson Brothers Company is \$20.00 per hour, \$140.00 per hour and \$160.00 per hour respectively; however, Henderson Brothers Company's overtime rate is \$8.00 per hour less and the part and material mark-up is also 30 percent less than what was quoted by ABC Plumbing, Heating, & Air Conditioning.

Staff recommends rescinding Resolution No. 2018-100 and authorizing City Manager to execute Professional Services Agreement with Henderson Brothers Company, of Lodi, for City facilities plumbing repair services, in the amount of \$40,000, over the entire three-year term, if the extension is executed.

FISCAL IMPACT: Costs will be assigned to the division operating account depending upon the location of the repairs. This project is expected to have minimal impact to the General Fund.

APPROVED: _____
Stephen Schwabauer, City Manager

FUNDING AVAILABLE: Funding is budgeted in the operating accounts associated with the location of the repairs.

Andrew Keys
Deputy City Manager/Internal Services Director

Charles E. Swimley, Jr.
Public Works Director

Prepared by Rebecca Areida-Yadav, Management Analyst
CES/RAY/tdb
Attachment

AGREEMENT FOR PROFESSIONAL SERVICES

ARTICLE 1 PARTIES AND PURPOSE

Section 1.1 Parties

THIS AGREEMENT is entered into on _____, 20____, by and between the CITY OF LODI, a municipal corporation (hereinafter "CITY"), and HENDERSON BROTHERS COMPANY, a California corporation (hereinafter "CONTRACTOR").

Section 1.2 Purpose

CITY selected the CONTRACTOR to provide the services required in accordance with attached Scope of Services, Exhibit A, attached and incorporated by this reference.

CITY wishes to enter into an agreement with CONTRACTOR for Citywide plumbing services on City facilities (hereinafter "Project") as set forth in the Scope of Services attached here as Exhibit A. CONTRACTOR acknowledges that it is qualified to provide such services to CITY.

ARTICLE 2 SCOPE OF SERVICES

Section 2.1 Scope of Services

CONTRACTOR, for the benefit and at the direction of CITY, shall perform the Scope of Services as set forth in Exhibit A.

Section 2.2 Time For Commencement and Completion of Work

CONTRACTOR shall commence work pursuant to this Agreement, upon receipt of a written notice to proceed from CITY or on the date set forth in Section 2.6, whichever occurs first, and shall perform all services diligently and complete work under this Agreement based on a mutually agreed upon timeline or as otherwise designated in the Scope of Services.

CONTRACTOR shall submit to CITY such reports, diagrams, drawings and other work products as may be designated in the Scope of Services.

CONTRACTOR shall not be responsible for delays caused by the failure of CITY staff to provide required data or review documents within the appropriate time frames. The review time by CITY and any other agencies involved in the project shall not be counted against CONTRACTOR's contract performance period. Also, any delays due to weather, vandalism, acts of God, etc., shall not be counted. CONTRACTOR shall

remain in contact with reviewing agencies and make all efforts to review and return all comments.

Section 2.3 Meetings

CONTRACTOR shall attend meetings as may be set forth in the Scope of Services.

Section 2.4 Staffing

CONTRACTOR acknowledges that CITY has relied on CONTRACTOR's capabilities and on the qualifications of CONTRACTOR's principals and staff as identified in its proposal to CITY. The Scope of Services shall be performed by CONTRACTOR, unless agreed to otherwise by CITY in writing. CITY shall be notified by CONTRACTOR of any change of Project Manager and CITY is granted the right of approval of all original, additional and replacement personnel at CITY's sole discretion and shall be notified by CONTRACTOR of any changes of CONTRACTOR's project staff prior to any change.

CONTRACTOR represents it is prepared to and can perform all services within the Scope of Services (Exhibit A) and is prepared to and can perform all services specified therein. CONTRACTOR represents that it has, or will have at the time this Agreement is executed, all licenses, permits, qualifications, insurance and approvals of whatsoever nature are legally required for CONTRACTOR to practice its profession, and that CONTRACTOR shall, at its own cost and expense, keep in effect during the life of this Agreement all such licenses, permits, qualifications, insurance and approvals, and shall indemnify, defend and hold harmless CITY against any costs associated with such licenses, permits, qualifications, insurance and approvals which may be imposed against CITY under this Agreement.

Section 2.5 Subcontracts

Unless prior written approval of CITY is obtained, CONTRACTOR shall not enter into any subcontract with any other party for purposes of providing any work or services covered by this Agreement.

Section 2.6 Term

The term of this Agreement commences on July 1, 2018 and terminates upon the completion of the Scope of Services or on June 30, 2020, whichever occurs first.

Section 2.7 Option to Extend Term of Agreement

At its option, City may extend the terms of this Agreement for an additional one (1) one (1)-year extension; provided, City gives Contractor no less than thirty (30) days written notice of its intent prior to expiration of the existing term. In the event City exercises any option under this paragraph, all other terms and conditions of this

Agreement continue and remain in full force and effect.

The total duration of this Agreement, including the exercise of any option under this paragraph, shall not exceed three (3) years.

ARTICLE 3 **COMPENSATION**

Section 3.1 Compensation

CONTRACTOR's compensation for all work under this Agreement shall conform to the provisions of the Fee Proposal, attached hereto as Exhibit B and incorporated by this reference.

CONTRACTOR shall not undertake any work beyond the scope of this Agreement unless such additional work is approved in advance and in writing by CITY.

Section 3.2 Prevailing Wage

The Contractor agrees to conform to the provisions of Chapter 1, Part 7, Division 2 of the Labor Code. The Contractor and any Subcontractor will pay the general prevailing wage rate and other employer payments for health and welfare, pension, vacation, travel time, and subsistence pay, apprenticeship or other training programs. The responsibility for compliance with these Labor Code requirements is on the prime contractor.

Section 3.3 Contractor Registration – Labor Code §1725.5

No contractor or subcontractor may be awarded a contract for public work on a public works project (awarded on or after April 1, 2015) unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5.

This project is subject to compliance monitoring and enforcement by the Department of Industrial Relations.

Section 3.4 Method of Payment

CONTRACTOR shall submit invoices for completed work on a monthly basis, or as otherwise agreed, providing, without limitation, details as to amount of hours, individual performing said work, hourly rate, and indicating to what aspect of the Scope of Services said work is attributable. CONTRACTOR's compensation for all work under this Agreement shall not exceed the amount of the Fee Proposal.

Section 3.5 Costs

The Fee Proposal shall include all reimbursable costs required for the performance of the Scope of Services. Payment of additional reimbursable costs considered to be over and above those inherent in the original Scope of Services shall be approved in advanced and in writing, by CITY.

Section 3.6 Auditing

CITY reserves the right to periodically audit all charges made by CONTRACTOR to CITY for services under this Agreement. Upon request, CONTRACTOR agrees to furnish CITY, or a designated representative, with necessary information and assistance needed to conduct such an audit.

CONTRACTOR agrees that CITY or its delegate will have the right to review, obtain and copy all records pertaining to performance of this Agreement. CONTRACTOR agrees to provide CITY or its delegate with any relevant information requested and shall permit CITY or its delegate access to its premises, upon reasonable notice, during normal business hours for the purpose of interviewing employees and inspecting and copying such books, records, accounts, and other material that may be relevant to a matter under investigation for the purpose of determining compliance with this requirement. CONTRACTOR further agrees to maintain such records for a period of three (3) years after final payment under this Agreement.

ARTICLE 4 MISCELLANEOUS PROVISIONS

Section 4.1 Nondiscrimination

In performing services under this Agreement, CONTRACTOR shall not discriminate in the employment of its employees or in the engagement of any sub CONTRACTOR on the basis of race, color, religion, sex, sexual orientation, marital status, national origin, ancestry, age, or any other criteria prohibited by law.

Section 4.2 ADA Compliance

In performing services under this Agreement, CONTRACTOR shall comply with the Americans with Disabilities Act (ADA) of 1990, and all amendments thereto, as well as all applicable regulations and guidelines issued pursuant to the ADA.

Section 4.3 Indemnification and Responsibility for Damage

CONTRACTOR to the fullest extent permitted by law, shall indemnify and hold harmless CITY, its elected and appointed officials, directors, officers, employees and volunteers from and against any claims, damages, losses, and expenses (including reasonable attorney's fees and costs), arising out of performance of the services to be performed under this Agreement, provided that any such claim, damage, loss, or expense is caused by the negligent acts, errors or omissions of CONTRACTOR, any subcontractor employed directly by CONTRACTOR, anyone directly or indirectly employed by any of them, or anyone for whose acts they may be liable, except those

injuries or damages arising out of the active negligence, sole negligence, or sole willful misconduct of the City of Lodi, its elected and appointed officials, directors, officers, employees and volunteers. CITY may, at its election, conduct the defense or participate in the defense of any claim related in any way to this indemnification. If CITY chooses at its own election to conduct its own defense, participate in its own defense, or obtain independent legal counsel in defense of any claim related to this indemnification, CONTRACTOR shall pay all of the costs related thereto, including without limitation reasonable attorney fees and costs. The defense and indemnification obligations required by this Agreement are undertaken in addition to, and shall not in any way be limited by the insurance obligations set forth herein.

Section 4.4 No Personal Liability

Neither the City Council, nor any other officer or authorized assistant or agent or City employee shall be personally responsible for any liability arising under this Agreement.

Section 4.5 Responsibility of CITY

CITY shall not be held responsible for the care or protection of any material or parts of the work described in the Scope of Services prior to final acceptance by CITY, except as expressly provided herein.

Section 4.6 Insurance Requirements for CONTRACTOR

CONTRACTOR shall take out and maintain during the life of this Agreement, insurance coverage as set forth in Exhibit C attached hereto and incorporated by this reference.

Section 4.7 Successors and Assigns

CITY and CONTRACTOR each bind themselves, their partners, successors, assigns, and legal representatives to this Agreement without the written consent of the others. CONTRACTOR shall not assign or transfer any interest in this Agreement without the prior written consent of CITY. Consent to any such transfer shall be at the sole discretion of CITY.

Section 4.8 Notices

Any notice required to be given by the terms of this Agreement shall be in writing signed by an authorized representative of the sender and shall be deemed to have been given when the same is personally served or upon receipt by express or overnight delivery, postage prepaid, or three (3) days from the time of mailing if sent by first class or certified mail, postage prepaid, addressed to the respective parties as follows:

To CITY: City of Lodi
221 West Pine Street
P.O. Box 3006
Lodi, CA 95241-1910
Attn: Rebecca Areida-Yadav

To CONTRACTOR: Henderson Brothers Company
217 South Sacramento Street
Lodi, CA 95240
Attn: James W. McConnell

Section 4.9 Cooperation of CITY

CITY shall cooperate fully and in a timely manner in providing relevant information it has at its disposal relevant to the Scope of Services.

Section 4.10 CONTRACTOR is Not an Employee of CITY

CONTRACTOR agrees that in undertaking the duties to be performed under this Agreement, it shall act as an independent contractor for and on behalf of CITY and not an employee of CITY. CITY shall not direct the work and means for accomplishment of the services and work to be performed hereunder. CITY, however, retains the right to require that work performed by CONTRACTOR meet specific standards without regard to the manner and means of accomplishment thereof.

Section 4.11 Termination

CITY may terminate this Agreement, with or without cause, by giving CONTRACTOR at least ten (10) days written notice. Where phases are anticipated within the Scope of Services, at which an intermediate decision is required concerning whether to proceed further, CITY may terminate at the conclusion of any such phase. Upon termination, CONTRACTOR shall be entitled to payment as set forth in the attached Exhibit B to the extent that the work has been performed. Upon termination, CONTRACTOR shall immediately suspend all work on the Project and deliver any documents or work in progress to CITY. However, CITY shall assume no liability for costs, expenses or lost profits resulting from services not completed or for contracts entered into by CONTRACTOR with third parties in reliance upon this Agreement.

Section 4.12 Confidentiality

CONTRACTOR agrees to maintain confidentiality of all work and work products produced under this Agreement, except to the extent otherwise required by law or permitted in writing by CITY. CITY agrees to maintain confidentiality of any documents owned by CONTRACTOR and clearly marked by CONTRACTOR as "Confidential" or "Proprietary", except to the extent otherwise required by law or permitted in writing by CONTRACTOR. CONTRACTOR acknowledges that CITY is subject to the California Public Records Act.

Section 4.13 Applicable Law, Jurisdiction, Severability, and Attorney's Fees

This Agreement shall be governed by the laws of the State of California. Jurisdiction of litigation arising from this Agreement shall be venued with the San Joaquin County Superior Court. If any part of this Agreement is found to conflict with applicable laws, such part shall be inoperative, null, and void insofar as it is in conflict with said laws, but the remainder of this Agreement shall be in force and effect. In the event any dispute between the parties arises under or regarding this Agreement, the prevailing party in any litigation of the dispute shall be entitled to reasonable attorney's fees from the party who does not prevail as determined by the San Joaquin County Superior Court.

Section 4.14 City Business License Requirement

CONTRACTOR acknowledges that Lodi Municipal Code Section 3.01.020 requires CONTRACTOR to have a city business license and CONTRACTOR agrees to secure such license and pay the appropriate fees prior to performing any work hereunder.

Section 4.15 Captions

The captions of the sections and subsections of this Agreement are for convenience only and shall not be deemed to be relevant in resolving any question or interpretation or intent hereunder.

Section 4.16 Integration and Modification

This Agreement represents the entire understanding of CITY and CONTRACTOR as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered hereunder. This Agreement may not be modified or altered except in writing, signed by both parties.

Section 4.17 Contract Terms Prevail

All exhibits and this Agreement are intended to be construed as a single document. Should any inconsistency occur between the specific terms of this Agreement and the attached exhibits, the terms of this Agreement shall prevail.

Section 4.18 Severability

The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.

Section 4.19 Ownership of Documents

All documents, photographs, reports, analyses, audits, computer media, or other material documents or data, and working papers, whether or not in final form, which have been obtained or prepared under this Agreement, shall be deemed the property of

CITY. Upon CITY's request, CONTRACTOR shall allow CITY to inspect all such documents during CONTRACTOR's regular business hours. Upon termination or completion of services under this Agreement, all information collected, work product and documents shall be delivered by CONTRACTOR to CITY within ten (10) calendar days.

CITY agrees to indemnify, defend and hold CONTRACTOR harmless from any liability resulting from CITY's use of such documents for any purpose other than the purpose for which they were intended.

Section 4.20 Authority

The undersigned hereby represent and warrant that they are authorized by the parties to execute this Agreement.

Section 4.21 Federal Transit Funding Conditions

☐ If the box at left is checked, the Federal Transit Funding conditions attached as Exhibit D apply to this Agreement. In the event of a conflict between the terms of this Agreement or any of its other exhibits, and the Federal Transit Funding Conditions, the Federal Transit Funding Conditions will control.

IN WITNESS WHEREOF, CITY and CONTRACTOR have executed this Agreement as of the date first above written.

CITY OF LODI, a municipal corporation

ATTEST:

JENNIFER M. FERRAILOLO
City Clerk

STEPHEN SCHWABAUER
City Manager

APPROVED AS TO FORM:

HENDRESON BROTHERS COMPANY, a
California corporation

By: _____
JANICE D. MAGDICH, City Attorney

By: _____
Name: JAMES W. MCCONNELL
Title:

Attachments:

Exhibit A – Scope of Services

Exhibit B – Fee Proposal

Exhibit C – Insurance Requirements

Exhibit D – Federal Transit Funding Conditions (if applicable)

Funding Source: _____
(Business Unit & Account No.)

Doc ID:K:\WP\PROJECTS\PSA's\2018\Henderson Brothers PSA.doc

CA:Rev.01.2015

BID FORM



MEMORANDUM, City of Lodi, Public Works Department

To: Prospective Bidder
 From: City of Lodi
 Date: April 30, 2018
 Subject: Citywide Plumbing Services on City Facilities

Please fully complete the information below:

Company Name: HENDERSON BROS. Date: 5-7-18
 Address: 217 S. SACRAMENTO ST. LODI, CA 95240

Contractor's License No.: 7319

Labor Rate: 160.00 PER HOUR (requires prevailing wage)

Overtime Rate: 202.00 PER HOUR

Parts and materials plus 15% % markup

Truck charge: Ø

Call out minimum: 2 HOUR (hours)

Other: _____ (be specific)

NOT TO EXCEED \$40,000

Items required upon award of contract:

1. Insurance requirements per the attached Exhibit B.
2. Workers' compensation insurance coverage.
3. City of Lodi business license.
4. W-9 form per current IRS requirements.
5. Registered with the Department of Industrial Relations.

Customer's Signature: [Signature]

Title: PRESIDENT



NOTE: The City of Lodi is now using the online insurance program PINS Advantage. Once you have been awarded a contract you will receive an email from the City's online insurance program requesting you to forward the email to your insurance provider(s) to submit the required insurance documentation electronically

Insurance Requirements for Most Contracts
(Not construction or requiring professional liability)

Contractor shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder and the results of that work by the Contractor, his agents, representatives, employees or subcontractors.

MINIMUM SCOPE AND LIMIT OF INSURANCE

Coverage shall be at least as broad as:

1. **Commercial General Liability (CGL):** Insurance Services Office Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than **\$2,000,000** per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.
2. **Automobile Liability:** ISO Form Number CA 00 01 covering any auto or if Contractor has no owned autos, then hired, and non-owned autos with limit no less than **\$1,000,000** per accident for bodily injury and property damage.
3. **Workers' Compensation:** as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than **\$1,000,000** per accident for bodily injury or disease.

Other Insurance Provisions:

- (a) **Additional Named Insured Status**
The City of Lodi, its elected and appointed boards, commissions, officers, agents, employees, and volunteers are to be covered as additional insureds on the CGL and auto policy with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Contractor's insurance (at least as broad as ISO Form CG 20 10 11 85 or if not available, through the addition of **both** CG 20 10, CG 20 26, CG 20 33, or CG 20 38; **and** CG 20 37 if a later edition is used
- (b) **Primary and Non-Contributory Insurance Endorsement**
The limits of insurance coverage required may be satisfied by a combination of primary and umbrella or excess insurance. For any claims related to this contract, the Contractor's insurance coverage shall be primary coverage **at least as broad as** ISO CG 20 01 04 13 as respects the Entity, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the Entity, its officers, officials, employees, or volunteers shall be excess of the Contractor's insurance and shall not contribute with it.
- (c) **Waiver of Subrogation** Contractor hereby grants to City of Lodi a waiver of any right to subrogation which any insurer of said Contractor may acquire against the City of Lodi by virtue of the payment of any loss under such insurance. Contractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the City of Lodi has received a waiver of subrogation endorsement from the insurer

NOTE: (1) The street address of the **CITY OF LODI** must be shown along with (a) and (b) and (c) above: 221 West Pine Street, Lodi, California, 95240; (2) The insurance certificate must state, on its face or as an endorsement, a description of the project that it is insuring.

- (d) **Severability of Interest Clause**
The term "insured" is used severally and not collectively, but the inclusion herein of more than one insured shall not operate to increase the limit of the company's liability under the Contractors commercial general liability and automobile liability policies.
- (e) **Notice of Cancellation or Change in Coverage Endorsement**
This policy may not be canceled nor the coverage reduced by the company without 30 days' prior written notice of such cancellation or reduction in coverage to the Risk Manager, City of Lodi, 221 West Pine St., Lodi, CA 95240.

(f) Continuity of Coverage

All policies shall be in effect on or before the first day of the Term of this Agreement. At least thirty (30) days prior to the expiration of each insurance policy, Contractor shall furnish a certificate(s) showing that a new or extended policy has been obtained which meets the minimum requirements of this Agreement. Contractor shall provide proof of continuing insurance on at least an annual basis during the Term. If Contractor's insurance lapses or is discontinued for any reason, Contractor shall immediately notify the City and immediately obtain replacement insurance. Contractor agrees and stipulates that any insurance coverage provided to the City of Lodi shall provide for a claims period following termination of coverage which is at least consistent with the claims period or statutes of limitations found in the California Tort Claims Act (California Government Code Section 810 et seq.).

(g) Failure to Comply

If Contractor fails or refuses to obtain and maintain the required insurance, or fails to provide proof of coverage, the City may obtain the insurance. Contractor shall reimburse the City for premiums paid, with interest on the premium paid by the City at the maximum allowable legal rate then in effect in California. The City shall notify Contractor of such payment of premiums within thirty (30) days of payment stating the amount paid, the name(s) of the insurer(s), and rate of interest. Contractor shall pay such reimbursement and interest on the first (1st) day of the month following the City's notice. Notwithstanding any other provision of this Agreement, if Contractor fails or refuses to obtain or maintain insurance as required by this agreement, or fails to provide proof of insurance, the City may terminate this Agreement upon such breach. Upon such termination, Contractor shall immediately cease use of the Site or facilities and commence and diligently pursue the removal of any and all of its personal property from the site or facilities.

(h) Verification of Coverage

Consultant shall furnish the City with a copy of the policy declaration and endorsement page(s), original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the City before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Consultant's obligation to provide them. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time. **Failure to exercise this right shall not constitute a waiver of the City's right to exercise after the effective date.**

(i) Self-Insured Retentions

Self-insured retentions must be declared to and approved by the City. The City may require the Consultant to provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or City.

(j) Insurance Limits

The limits of insurance described herein shall not limit the liability of the Contractor and Contractor's officers, employees, agents, representatives or subcontractors. Contractor's obligation to defend, indemnify and hold the City and its officers, officials, employees, agents and volunteers harmless under the provisions of this paragraph is not limited to or restricted by any requirement in the Agreement for Contractor to procure and maintain a policy of insurance.

(k) Subcontractors

Consultant shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and Consultant shall ensure that City is an additional insured on insurance required from subcontractors

(l) Qualified Insurer(s)

All insurance required by the terms of this Agreement must be provided by insurers licensed to do business in the State of California which are rated at least "A-, VI" by the AM Best Ratings Guide, and which are acceptable to the City. Non-admitted surplus lines carriers may be accepted provided they are included on the most recent list of California eligible surplus lines insurers (LESLI list) and otherwise meet City requirements.

RESOLUTION NO. 2019-_____

A RESOLUTION OF THE LODI CITY COUNCIL RESCINDING
RESOLUTION NO. 2018-100 AND AUTHORIZING THE
CITY MANAGER TO EXECUTE A PROFESSIONAL SERVICES
AGREEMENT WITH HENDERSON BROTHERS COMPANY, OF
LODI, FOR CITY FACILITIES PLUMBING REPAIR SERVICES

=====

WHEREAS, the City maintains over 400,000 square feet of buildings with varying plumbing repair needs that often are outside the expertise and scope of work performed by the Facilities Division staff; and

WHEREAS, Council adopted Resolution No. 2018-100 on June 6, 2018, authorizing the City Manager to execute the Professional Services Agreement with ABC Plumbing, Heating & Air Conditioning; and

WHEREAS, after the agreement was sent to ABC Plumbing, Heating & Air Conditioning for execution, the City was informed that they could not honor the bid price they provided and wished to withdraw their bid; and

WHEREAS, City staff contacted the second-lowest bidder, Henderson Brothers Company, of Lodi, to confirm that they were interested in contracting with the City for Citywide plumbing services and to determine if they would honor the bid previously submitted; and

WHEREAS, staff recommends rescinding Resolution No. 2018-100 and authorizing the City Manager to execute a Professional Services Agreement with Henderson Brothers Company, of Lodi, for City facilities plumbing repair services, in the amount of \$40,000.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby rescind Resolution No. 2018-100; and

BE IT FURTHER RESOLVED that the Lodi City Council does hereby authorize the City Manager to execute a Professional Services Agreement with Henderson Brothers Company, of Lodi, California, for City facilities plumbing repair services, for the term of two years, with an optional one-year extension, in an amount not to exceed \$40,000 for the three-year term of the agreement.

Dated: January 16, 2019

=====

I hereby certify that Resolution No. 2019-_____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held January 16, 2019, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

JENNIFER M. FERRAILOLO
City Clerk

2019-_____



CITY OF LODI COUNCIL COMMUNICATION

TM

AGENDA TITLE: Adopt Resolution Authorizing City Manager to Execute Professional Services Agreement with Callander Associates Landscape Architecture, Inc., of Gold River, for DeBenedetti Park Site Plan Design and Appropriate Funds (\$65,416.58)

MEETING DATE: January 16, 2019

PREPARED BY: Parks, Recreation and Cultural Services Director

RECOMMENDED ACTION: Adopt a resolution authorizing the City Manager to execute a Professional Services Agreement with Callander Associates Landscape Architecture, Inc., of Gold River, for DeBenedetti Park site plan design in an amount not to exceed \$65,416.58 and appropriate funds.

BACKGROUND INFORMATION: After a decade of minimal housing development, Lodi's home building has come to life. The result is the accumulation of development impact fees that PRCS has not seen for quite some time, and the park impact fee fund balance is now approximately \$500,000. Based on housing projects in the pipeline, PRCS anticipates the impact fee fund balance could be as much as \$2 million at the end of the current fiscal year (June 30, 2019). As Council will recall, impact fees must be spent on expansions of service. As such, these revenue are not available to use for deferred maintenance.

This presents PRCS with an opportunity to resume development of DeBenedetti Park. The park's most recent improvements (funded through impact fees) were completed in 2017 -- construction of a parking lot and an interior park walkway that provides pedestrians a one-mile loop around the park. The design of the parking lot and walkway anticipated a parking lot expansion and a future vehicle exit/entrance onto Century Boulevard.

In September, PRCS staff discussed making incremental improvements at the park with the Parks and Recreation Commission. The Commission, however, felt any new construction should be based on a new park site plan. The previous DeBenedetti Park master plan created by Stantec is nearly 17 years old and does not align with the Strategic Plan. For instance, the 2002 Stantec plan calls for more baseball diamonds, but the Strategic Plan (adopted in 2016) finds that there are already enough baseball fields in Lodi -- a finding that predates our State grant to rehabilitate two diamonds at Blakely Park that will make them more valuable than in their current condition.

At the Parks and Recreation Commission's recommendation, PRCS prepared a Request for Qualifications and reached out to several dozen firms that either design parks or provide amenities related to new park construction to let them know of the RFQ's availability on the City website.

Five firms submitted Statements of Qualifications that met the requirements outlined in the RFQ. An ad hoc review committee composed of two Parks and Recreation Commissioners and three PRCS staff

APPROVED: _____
Stephen Schwabauer, City Manager

members interviewed representatives of the five firms and decided four were qualified for additional screening.

Staff further reviewed the Statements of Qualifications and reached out to listed references. The committee further narrowed the review to two firms on Dec. 12. On Dec. 12, 13 and 14, staff visited parks designed by the two firms and did additional research. Members of the committee met Dec. 18 and 19 and determined that Callander Associates Landscape Architecture, Inc. (CALA), of Gold River, is the best firm for this project based on its qualifications, references – the best of any firm considered – and field visits by staff. References said CALA's construction estimates were on target and construction drawings need few revisions. Two of the references had many years of repeat business with CALA, and praised the quality of the firm's work.

The Parks and Recreation Commission met on Jan. 8, 2019 and voted to recommend the City Council approve the agreement with CALA.

A new site plan will not only guide us to plan the major uses in the middle of DeBenedetti Park's high-ground area, but will also help us with other park amenities, such as the location of a new playground that was originally planned for the park's northeast corner to serve the immediate neighborhood. The Strategic Plan found that needs exist for picnic shelters, playgrounds, multi-use trails and spraygrounds, although DeBenedetti Park has enough space to accommodate those needs and more (and some features could be added at other parks).

CALA's fee is a not-to-exceed amount \$65,416.58, with the final price potentially lower if plan alternatives are not needed.

FISCAL IMPACT: The \$65,416.58 cost is approximately 1 to 2 percent of the anticipated development cost, depending on the final project. A well-prepared plan reduces time spent reviewing construction documents and reduces the need to make costly changes in the field during construction.

FUNDING AVAILABLE: Park Impact Fees upon appropriation (Account #43799000.77020)
)

Andrew Keys
Deputy City Manager/Internal Services Director

Jeff Hood
Parks, Recreation and Cultural Services Director



Recreate
Educate
Live+Work
Connect
Sustain
www.callanderassociates.com

December 18, 2018

Mr. Jeff Hood
Lodi Parks, Recreation & Cultural Services Department
230 W. Elm Street
Lodi, CA 95240

RE: DEBENEDETTI PARK/landscape architecture services(REVISED)

Dear Mr. Hood,

We revised the scope per our discussion on 12/18/19.

The steps outlined below (with deliverables highlighted in bold face italics) are based on a proven project delivery methodology and are intended to get to answers in an efficient manner, allowing the City to pursue implementation of site improvements in the shortest period of time. The scope is flexible, and as such is subject to modification. We welcome the opportunity to meet with you to discuss Lodi's plan approval processes and identify appropriate modifications to this scope.

1.0 PROJECT INITIATION

- 1.01 **Project Kick-Off Meeting:** Schedule, coordinate and facilitate an initial meeting with City staff to discuss the goals, objectives, schedule and desired outcome of the project. Verify review process and other administrative procedures. Address any preliminary project concerns, and formalize contacts. Callander Associates to prepare and provide ***meeting agenda and written meeting summary*** (including what was discussed, decided upon, and all the next steps to be performed, or "action items").
- 1.02 **Site Mapping:** Prepare a base map utilizing City provided topographic survey files and record drawings combined with aerial photographs. ***Base map to be prepared at a scale of 1"= 40' to show all major existing features.*** Base map will be dimensionally accurate allowing for more accurate determination of spaces available for additional park uses. Base map to be provided to the City as a stand-alone electronic deliverable to aid in subsequent phases of work at the park.
- 1.03 **File Review:** Obtain historical information relevant to Master planning the Park from the City. This information is anticipated to include; record documents of park improvements, geotechnical soils reports, the City-wide Strategic Plan and input received by the City subsequent to the completion of the City-wide Strategic Plan. File information to be inventoried, listed in a directory of reference documents, and stored electronically for retrieval and use by all project team members.
- 1.04 **Site Investigation:** With the topographic survey in hand, conduct a site walk with City staff. Document observations photographically, on the survey, and in notes. Among the elements to be documented are; condition of existing improvements, existing vegetation, views

BURLINGAME
1633 Bayshore Highway, Suite 133
Burlingame, CA 94010
T 650.375.1313
F 650.344.3290

GOLD RIVER
12150 Tributary Point Drive, Suite 140
Gold River, CA 95670
T 916.985.4366
F 916.985.4391

SAN JOSE
300 South First Street, Suite 232
San Jose, CA 95113
T 408.275.0565
F 408.275.8047

(objectionable and desirable), weather patterns (solar orientation and wind), and adjacent land uses.

1.05 **Site Infrastructure Inventory:** As a means of capturing and evaluating the subsurface conditions (not possible during the site walk) we propose to:

- A. Review existing utility plans, reports, studies, and survey information provided by the City to assess the existing ground conditions, stormwater management, and utility infrastructure, including sanitary sewer, water, storm drainage, and natural gas.
- B. Assess the capacity of existing infrastructure within the park. Assessment will be based the site visit and review of existing documents.
- C. Assess condition of irrigation point of connection infrastructure.

1.06 **Outreach Program Development:** To a significant degree, we intend to capitalize on the investment that the City has already made in reaching out to the community during development of the 2016 Strategic Plan. Towards that goal we will begin by analyzing information already compiled in that Plan. Outreach will be targeted at answering new questions, or better define the opinions and preferences already found in that study. The following tasks are anticipated to be provided and refinements to the tasks indicated here will be identified during the start-up phase:

- A. Meet with City staff in a work session to refine the proposed outreach program.
- B. Assist staff in identifying key stakeholders (such as sports league representatives).
- C. Coordinate with City website administrator to set up a project web page which will provide project updates and include links to project opinion survey(s).
- D. Facilitate an on-line survey for purposes of polling residents.
- E. Prepare **up to 2 (two) public workshop announcement fliers** for City distribution

1.07 **Stakeholder Meeting:** Facilitate a single stakeholder meeting with representatives of sports leagues and clubs currently using the park facilities to gain understanding of needs of their organizations as they pertain to the park improvements. Prepare a **written meeting summary** of items discussed as a record for distribution to the City and attendees.

1.08 **Opportunities and Constraints Plan Development:** Prepare an **Opportunities and Constraints Plan**. Plan to consist of a 40 scale existing conditions map (the topographic survey) with opportunities and constraints superimposed. Constraints to be mapped include easements, utilities, setbacks, etc. Opportunities include service provisions, space, access and proximity to adjacent uses. Identify existing uses and programs that may already be 'in the pipeline' and physical links to the site. Prepare a **program listing itemizing the elements to be included in the park and their required supporting elements**.

- 1.09 **Initial Public Outreach Team Meeting:** Convene a meeting with City staff to review presentation materials and approach for the initial public outreach session. Prepare a **meeting summary capturing decision made** in the meeting and distribute to attendees.
- 1.10 **Initial Public Outreach (Public Workshop #1);** We propose facilitating the outreach sessions in an Open House format with multiple stations focusing on specific topics to inform attendees about the project and solicit feedback from the attendees on specific topics. At the initial public meeting we anticipate providing a project overview, discussing the findings of the Strategic Plan (as they relate to Debenedetti Park), providing a 'virtual tour' of the site, sharing the Opportunities and Constraints Plan. As part of the public input we will solicit input from attendees regarding facility programming needs and priorities and facilitate a brainstorming exercise involving engaging the public in the process of placing site improvement templates (play areas, courts, restroom buildings, etc.) in various configurations on a plan of the site. Alternatives as generated through this interactive process to be captured photographically in concept photos for further evaluation. Prepare a **written meeting summary** of items discussed as a record for distribution to the City and for posting on the project web page.

2.0 DRAFT SITE MASTER PLAN DEVELOPMENT

- 2.01 **Draft Master Plan Kickoff Team Meeting;** Convene a meeting with City staff to review the input received in the stakeholder meeting and initial public outreach meeting. Reach consensus on key project elements and prioritization of improvements. Prepare a **meeting summary** capturing decision made in the meeting and distribute to attendees.
- 2.02 **Draft Site Master Plan Alternatives;** Based on input received in the public meetings, through other forums, and as agreed upon in the prior team meeting, proceed to prepare up to **(2) two 40 scale overall Draft Master Plans for the site**. It is anticipated that multiple viable plans for the park are possible but no more than 2 warrant detailed evaluation. Master Plans to be labeled and color rendered. It is anticipated that the majority of program elements will be found in both schemes with each scheme showing them in different locations. Variations may also occur in emphasis (amount of programmed vs. unprogrammed space) and circulation. In addition to the plans themselves the following support exhibits will be prepared"
- A. Imagery: Compile **images of new elements**. Images to be assembled in a format suitable for public presentation and as individual images to be shared during presentations.
 - B. Plan Comparison: To facilitate consensus building we will prepare a **side by side comparison of each concept**. Criteria to be included are parking, ease of access, circulation, and facilities provided by type.
 - C. Draft Estimate of Probable Costs: Prepare a **preliminary estimate of probable construction costs for one of the Draft Master Plan Alternatives**. The estimate will show quantities and unit prices for any item of work anticipated to cost \$100,000 or more. The estimate will be based on actual quantities as can be estimated from the plans at this level of development. All costs associated with delivering the project, including administration costs (provided by the City), final design costs, permitting costs (provided by the City), inflation and contingencies will be included.

- D. Preliminary Phasing Study; In anticipation that the City's need to phase the project as becomes available, we will prepare a ***proposed phasing diagram for one of the Draft master Plan Alternatives***. The diagrams will show divisions of the park into 2-3 parts to be pursued in consecutive years or as funding allows. A listing of pro's and con's associated with each phasing diagram will be prepared to aid in determining the scope of the first phase park renovation plans.
- 2.03 **Presentation to City Staff:** Present the two Site Master Plan Alternatives, images and plan comparison, estimate and phasing study to City staff. Solicit input and discuss refinements to both plans and other documentation. Prepare a ***meeting summary*** capturing meeting decisions.
- 2.04 **Revisions to Draft Master Plan Alternatives and Support Exhibits:** ***Revise exhibits prepared as part of Task 2.02*** based on City staff input and incorporate into Workshop format.
- 2.05 **Public Workshop #2;** After revising the plan and support exhibits per agreed upon changes, present these documents to the public in an evening public meeting to be hosted by the City. This meeting is expected to follow the Open House format of the initial public meeting in a venue of the City's choosing. The emphasis of the project will be on the presentation of the preferred concept plan. A brief initial presentation beginning recapping of the steps to date will be made, to be followed by attendee tour of exhibit stations presenting the Draft Site Master Plan Alternatives. Input from all meeting attendees will be solicited and documented.

3.0 FINAL SITE MASTER PLAN DEVELOPMENT

- 3.01 **Final Site Master Plan Kickoff Team Meeting:** Convene a meeting with City staff to review the input received during Public Workshop #2. Reach consensus of preferred elements of each concept to carry forward into the Final Draft Site Master Plan. Prepare a meeting summary capturing decisions made in the meeting and distribute to attendees.
- 3.02 **Draft Site Master Plan Development;** Prepare a single unified concept reflecting the preferences of the community and input from City staff. ***Draft Site Master Plan*** to be prepared at a scale of 1"= 40' scale. All major elements to be shown including new recreation facilities, play areas, paths, drives and buildings. Plan to be labeled and color rendered.
- A. ***Update image boards to reflect the selected elements.*** Updated image board to contain up to 20 images.
- 3.03 **Estimate of Probable Costs;** Prepare an ***updated estimate of probable construction costs for all the improvements shown in the Draft Site Master Plan***. The estimate will show quantities and unit prices for any item of work anticipated to cost \$100,000 or more. The estimate will be based on actual quantities as can be estimated from the plans and bid prices. The estimate will include 30 – 50 discrete cost items. All costs associated with delivering the project, including administration costs, final design costs, permitting, inflation and contingencies will be included.

- 3.04 **Phasing Considerations;** Prepare *up to (2) two alternative phasing diagrams for the Draft Site master Plan* . The diagrams will show divisions of the park into 2-3 parts to be pursued in consecutive years or as funding allows. A listing of pro's and con's associated with each phasing diagram will be prepared to aid in determining the scope of the first phase park renovation plans.
- 3.05 **Team Meeting;** Present the Draft Site Master Plan, Estimate of Probable Construction Costs, and Phasing Considerations to City staff in a work session. Discuss each of the work products individually and identify revisions to each. ***Document the meeting and decisions made in a meeting summary*** or subsequent distribution to meeting attendees.
- 3.06 **Presentation to Parks and Recreation Commission;** Make a presentation of the Draft Site Master Plan to the Parks and Recreation Commission, noting the input received from the public and the changes made in response to the input. Facilitate the meeting by offering clarifications and responding to question posed by the Commission members.
- 3.07 **Master Plan Refinement; *Update the Draft Site Master Plan*** prior to presenting to Council, incorporating input received from the Parks and Recreation Commission, staff and the public in the P & R Commission meeting. The Master Plan will be compiled in book format, with the prior work products attached including meeting summaries, prior concepts, prior estimates, background data and other information relevant to the development of the final draft Site Master Plan.
- 3.08 **Presentation to City Council;** Present excerpts from the Master Plan report to the CC including the recommended plan, estimate of probable construction costs and suggested project phasing. Solicit input from the Council and seek to obtain conditional adoption of the final Site Master Plan.
- 3.09 **Final Team Meeting;** Meet with staff subsequent to the City Council meeting to discuss report finalization and final deliverables.
- 3.10 **Final Site Master Plan;** Following a meeting (or teleconference) with City staff to recap the City Council Presentation and feedback, Final Site Master Plan will be updated to incorporate agreed upon elements. Support documents will be updated in similar fashion. ***Final Master Plan and book in PDF*** format will be provided to City.

4.0 CEQA DOCUMENT (TBD)

5.0 ADDITIONAL SERVICES

- 5.01 All tasks not specifically noted above could be performed as additional services. These tasks would include, but not be limited to, all revisions or additional submittals required by the City or any other agency's review, other meetings, additional design studies, or other tasks not specifically noted in the foregoing. These services would be billed hourly or on a lump sum fee basis to be documented in a written amendment to this agreement.

RE: DEBENEDETTI PARK/LANDSCAPE ARCHITECTURE SERVICES

December 18, 2018

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6.0 REIMBURSABLE EXPENSES

- 6.01 In addition to the above fees, we would bill for all printing and reproduction, delivery, horticultural soils samples, the communication and insurance surcharge, and other reimbursable expenses as noted in the attached Standard Schedule of Compensation. You should establish a tentative budget for these expenses (see attached Task Fee). These costs will be itemized on our invoice and compared monthly with the total allowances to assist you in monitoring these costs.

Attachments:

DeBenedetti Task Fee for Services, dated December 18, 2018

Callander Associates 2018-2019 Fee Schedule

Task Matrix

DeBenedetti Park
December 18, 2018

| | | Callander Associates' Personnel and Rates | | | | | | | | | | | | | |
|------------|--|---|--------------------|----------------------|--------------------|------------------------|--------------------|-----------------------|--------------------|--------------------------|--------------------|------------------------------|------------------|--------------|---------------------|
| Phase | Description | Principal @ \$175 | | Associate @ \$153 | | Job Captain @ \$114 | | Designer 1 @ \$105 | | Administrator @ \$101 | | Construction Man. @ \$141 | | CA Fees | |
| | | hrs | \$'s | hrs | \$'s | hrs | \$'s | hrs | \$'s | hrs | \$'s | hrs | \$'s | hrs | \$'s |
| 1.0 | Project Initiation | | | | | | | | | | | | | | |
| 1.01 | Kick-off meeting | 3.5 | \$ 612.50 | 4.5 | \$ 688.50 | - | \$ - | - | \$ - | 0.5 | \$ 50.50 | - | \$ - | 8.5 | \$ 1,351.50 |
| 1.02 | Site mapping | - | \$ - | - | \$ - | - | \$ - | 8.0 | \$ 840.00 | - | \$ - | - | \$ - | 8.0 | \$ 840.00 |
| 1.03 | File review | - | \$ - | 2.0 | \$ 306.00 | 4.0 | \$ 456.00 | - | \$ - | - | \$ - | - | \$ - | 6.0 | \$ 762.00 |
| 1.04 | Site investigation | - | \$ - | 4.0 | \$ 612.00 | 4.0 | \$ 456.00 | - | \$ - | - | \$ - | - | \$ - | 8.0 | \$ 1,068.00 |
| 1.05 | Site infrastructure inventory | 1.0 | \$ 175.00 | 2.0 | \$ 306.00 | 4.0 | \$ 456.00 | - | \$ - | - | \$ - | 1.0 | \$ 141.00 | 8.0 | \$ 1,078.00 |
| 1.06 | Outreach program development | 1.0 | \$ 175.00 | 8.0 | \$ 1,224.00 | 8.0 | \$ 912.00 | 24.0 | \$ 2,520.00 | 12.0 | \$ 1,212.00 | - | \$ - | 53.0 | \$ 6,043.00 |
| 1.07 | Stakeholder meeting | - | \$ - | 3.5 | \$ 535.50 | 4.5 | \$ 513.00 | - | \$ - | 1.0 | \$ 101.00 | - | \$ - | 9.0 | \$ 1,149.50 |
| 1.08 | Opportunities and constraints plan development | 1.0 | \$ 175.00 | 2.0 | \$ 306.00 | 8.0 | \$ 912.00 | 16.0 | \$ 1,680.00 | - | \$ - | - | \$ - | 27.0 | \$ 3,073.00 |
| 1.09 | Initial Public outreach team meeting | - | \$ - | 3.5 | \$ 535.50 | - | \$ - | - | \$ - | - | \$ - | - | \$ - | 3.5 | \$ 535.50 |
| 1.10 | Initial Public Outreach | 4.0 | \$ 700.00 | 6.0 | \$ 918.00 | 12.0 | \$ 1,368.00 | - | \$ - | 2.0 | \$ 202.00 | - | \$ - | 24.0 | \$ 3,188.00 |
| | | 10.5 | \$ 1,837.50 | 35.5 | \$ 5,431.50 | 44.5 | \$ 5,073.00 | 48.0 | \$ 5,040.00 | 15.5 | \$ 1,565.50 | 1.0 | \$ 141.00 | 155.0 | \$ 19,088.50 |
| 2.0 | Draft Site Master Plan Development | | | | | | | | | | | | | | |
| 2.01 | Team meeting | - | \$ - | 4.5 | \$ 688.50 | - | \$ - | - | \$ - | 1.0 | \$ 101.00 | - | \$ - | 5.5 | \$ 789.50 |
| 2.02 | Draft site master plan alternatives | 1.0 | \$ 175.00 | 8.0 | \$ 1,224.00 | 12.0 | \$ 1,368.00 | 40.0 | \$ 4,200.00 | - | \$ - | - | \$ - | 61.0 | \$ 6,967.00 |
| A. | Imagery | - | \$ - | 1.0 | \$ 153.00 | 2.0 | \$ 228.00 | 8.0 | \$ 840.00 | - | \$ - | - | \$ - | 11.0 | \$ 1,221.00 |
| B. | Plan Comparison | 0.5 | \$ 87.50 | 2.0 | \$ 306.00 | 4.0 | \$ 456.00 | - | \$ - | - | \$ - | - | \$ - | 6.5 | \$ 849.50 |
| C. | Draft Estimate | - | \$ - | 2.0 | \$ 306.00 | 8.0 | \$ 912.00 | - | \$ - | 1.0 | \$ 101.00 | 0.5 | \$ 70.50 | 11.5 | \$ 1,389.50 |
| D. | Preliminary Phasing Study | 0.5 | \$ 87.50 | 1.0 | \$ 153.00 | 4.0 | \$ 456.00 | - | \$ - | - | \$ - | - | \$ - | 5.5 | \$ 696.50 |
| 2.03 | Presentation to City staff | - | \$ - | 4.5 | \$ 688.50 | - | \$ - | - | \$ - | 1.0 | \$ 101.00 | - | \$ - | 5.5 | \$ 789.50 |
| 2.04 | Revisions to Draft master plan alternatives | - | \$ - | 4.0 | \$ 612.00 | 8.0 | \$ 912.00 | 24.0 | \$ 2,520.00 | - | \$ - | - | \$ - | 36.0 | \$ 4,044.00 |
| 2.05 | Public Workshop #2 | 4.0 | \$ 700.00 | 6.0 | \$ 918.00 | 12.0 | \$ 1,368.00 | - | \$ - | 2.0 | \$ 202.00 | - | \$ - | 24.0 | \$ 3,188.00 |
| | | 6.0 | \$ 1,050.00 | 33.0 | \$ 5,049.00 | 50.0 | \$ 5,700.00 | 72.0 | \$ 7,560.00 | 5.0 | \$ 505.00 | 0.5 | \$ 70.50 | 166.5 | \$ 19,934.50 |
| 3.0 | Final Site Master Plan | | | | | | | | | | | | | | |
| 3.01 | Team Meeting | - | \$ - | 4.5 | \$ 688.50 | - | \$ - | - | \$ - | 1.0 | \$ 101.00 | - | \$ - | 5.5 | \$ 789.50 |
| 3.02 | Draft site master plan development | 1.0 | \$ 175.00 | 4.0 | \$ 612.00 | 8.0 | \$ 912.00 | 20.0 | \$ 2,100.00 | - | \$ - | - | \$ - | 33.0 | \$ 3,799.00 |
| A. | Update Image Boards | - | \$ - | 1.0 | \$ 153.00 | 2.0 | \$ 228.00 | 4.0 | \$ 420.00 | - | \$ - | - | \$ - | 7.0 | \$ 801.00 |
| 3.03 | Estimate of probable construction costs | 1.0 | \$ 175.00 | 1.0 | \$ 153.00 | 6.0 | \$ 684.00 | - | \$ - | 1.0 | \$ 101.00 | 0.5 | \$ 70.50 | 9.5 | \$ 1,183.50 |
| 3.04 | Phasing considerations | - | \$ - | 1.0 | \$ 153.00 | 2.0 | \$ 228.00 | - | \$ - | - | \$ - | - | \$ - | 3.0 | \$ 381.00 |
| 3.05 | Team meeting | - | \$ - | 4.5 | \$ 688.50 | - | \$ - | - | \$ - | 1.0 | \$ 101.00 | - | \$ - | 5.5 | \$ 789.50 |
| 3.06 | Presentation to Parks and Rec Commission | - | \$ - | 6.0 | \$ 918.00 | 8.0 | \$ 912.00 | 16.0 | \$ 1,680.00 | - | \$ - | - | \$ - | 30.0 | \$ 3,510.00 |
| 3.07 | Master Plan refinement | - | \$ - | 8.0 | \$ 1,224.00 | 16.0 | \$ 1,824.00 | 20.0 | \$ 2,100.00 | 20.0 | \$ 2,020.00 | - | \$ - | 64.0 | \$ 7,168.00 |

Task Matrix

DeBenedetti Park
December 18, 2018

| | | Callander Associates' Personnel and Rates | | | | | | | | | | | | | |
|-------|------------------------------|---|-----------|----------------------|-------------|------------------------|-------------|-----------------------|-------------|--------------------------|-------------|------------------------------|----------|---------|--------------|
| Phase | Description | Principal @ \$175 | | Associate @ \$153 | | Job Captain @ \$114 | | Designer 1 @ \$105 | | Administrator @ \$101 | | Construction Man. @ \$141 | | CA Fees | |
| | | hrs | \$'s | hrs | \$'s | hrs | \$'s | hrs | \$'s | hrs | \$'s | hrs | \$'s | hrs | \$'s |
| 3.08 | Presentation to City Council | - | \$ - | 4.5 | \$ 688.50 | - | \$ - | - | \$ - | - | \$ - | - | \$ - | 4.5 | \$ 688.50 |
| 3.09 | Final teamMeeting | - | \$ - | 4.5 | \$ 688.50 | - | \$ - | - | \$ - | 1.0 | \$ 101.00 | - | \$ - | 5.5 | \$ 789.50 |
| 3.10 | Final Master Plan | 1.0 | \$ 175.00 | 4.0 | \$ 612.00 | 8.0 | \$ 912.00 | 16.0 | \$ 1,680.00 | - | \$ - | - | \$ - | 29.0 | \$ 3,379.00 |
| | | 3.0 | \$ 525.00 | 43.0 | \$ 6,579.00 | 50.0 | \$ 5,700.00 | 76.0 | \$ 7,980.00 | 24.0 | \$ 2,424.00 | 0.5 | \$ 70.50 | 196.5 | \$ 23,278.50 |

| | hrs | CALA | TOTAL |
|--|---------------|---------------------|---------------------|
| 1.0 Project Initiation | 155.00 | \$ 19,088.50 | \$ 19,088.50 |
| 2.0 Draft Site Master Plan Development | 166.50 | \$ 19,934.50 | \$ 19,934.50 |
| 3.0 Final Site Master Plan | 196.50 | \$ 23,278.50 | \$ 23,278.50 |
| Reimbursables | | | \$ 3,115.08 |
| TOTAL COMPENSATION | 518.00 | \$ 62,301.50 | \$ 65,416.58 |

AGREEMENT FOR PROFESSIONAL SERVICES

ARTICLE 1 PARTIES AND PURPOSE

Section 1.1 Parties

THIS AGREEMENT is entered into on January 17, 2019, by and between the CITY OF LODI, a municipal corporation (hereinafter "CITY"), and CALLANDER ASSOCIATES LANDSCAPE ARCHITECTURE, INC. (hereinafter "CONTRACTOR").

Section 1.2 Purpose

CITY selected the CONTRACTOR to provide the services required in accordance with attached Scope of Services, Exhibit A, attached and incorporated by this reference.

CITY wishes to enter into an agreement with CONTRACTOR for DeBenedetti Park Site Plan Design (hereinafter "Project") as set forth in the Scope of Services attached here as Exhibit A. CONTRACTOR acknowledges that it is qualified to provide such services to CITY.

ARTICLE 2 SCOPE OF SERVICES

Section 2.1 Scope of Services

CONTRACTOR, for the benefit and at the direction of CITY, shall perform the Scope of Services as set forth in Exhibit A.

Section 2.2 Time For Commencement and Completion of Work

CONTRACTOR shall commence work pursuant to this Agreement, upon receipt of a written notice to proceed from CITY or on the date set forth in Section 2.6, whichever occurs first, and shall perform all services diligently and complete work under this Agreement based on a mutually agreed upon timeline or as otherwise designated in the Scope of Services.

CONTRACTOR shall submit to CITY such reports, diagrams, drawings and other work products as may be designated in the Scope of Services.

CONTRACTOR shall not be responsible for delays caused by the failure of CITY staff to provide required data or review documents within the appropriate time frames. The review time by CITY and any other agencies involved in the project shall not be counted against CONTRACTOR's contract performance period. Also, any delays due to

weather, vandalism, acts of God, etc., shall not be counted. CONTRACTOR shall remain in contact with reviewing agencies and make all efforts to review and return all comments.

Section 2.3 Meetings

CONTRACTOR shall attend meetings as may be set forth in the Scope of Services.

Section 2.4 Staffing

CONTRACTOR acknowledges that CITY has relied on CONTRACTOR's capabilities and on the qualifications of CONTRACTOR's principals and staff as identified in its proposal to CITY. The Scope of Services shall be performed by CONTRACTOR, unless agreed to otherwise by CITY in writing. CITY shall be notified by CONTRACTOR of any change of Project Manager and CITY is granted the right of approval of all original, additional and replacement personnel at CITY's sole discretion and shall be notified by CONTRACTOR of any changes of CONTRACTOR's project staff prior to any change.

CONTRACTOR represents it is prepared to and can perform all services within the Scope of Services (Exhibit A) and is prepared to and can perform all services specified therein. CONTRACTOR represents that it has, or will have at the time this Agreement is executed, all licenses, permits, qualifications, insurance and approvals of whatsoever nature are legally required for CONTRACTOR to practice its profession, and that CONTRACTOR shall, at its own cost and expense, keep in effect during the life of this Agreement all such licenses, permits, qualifications, insurance and approvals, and shall indemnify, defend and hold harmless CITY against any costs associated with such licenses, permits, qualifications, insurance and approvals which may be imposed against CITY under this Agreement.

Section 2.5 Subcontracts

Unless prior written approval of CITY is obtained, CONTRACTOR shall not enter into any subcontract with any other party for purposes of providing any work or services covered by this Agreement.

Section 2.6 Term

The term of this Agreement commences on January 17, 2019 and terminates upon the completion of the Scope of Services or on December 31, 2019, whichever occurs first.

ARTICLE 3 **COMPENSATION**

Section 3.1 Compensation

CONTRACTOR's compensation for all work under this Agreement shall conform to the provisions of the Fee Proposal, attached hereto as Exhibit B and incorporated by this reference.

CONTRACTOR shall not undertake any work beyond the scope of this Agreement unless such additional work is approved in advance and in writing by CITY.

Section 3.2 Method of Payment

CONTRACTOR shall submit invoices for completed work on a monthly basis, or as otherwise agreed, providing, without limitation, details as to amount of hours, individual performing said work, hourly rate, and indicating to what aspect of the Scope of Services said work is attributable. CONTRACTOR's compensation for all work under this Agreement shall not exceed the amount of the Fee Proposal.

Section 3.3 Costs

The Fee Proposal shall include all reimbursable costs required for the performance of the Scope of Services. Payment of additional reimbursable costs considered to be over and above those inherent in the original Scope of Services shall be approved in advanced and in writing, by CITY.

Section 3.4 Auditing

CITY reserves the right to periodically audit all charges made by CONTRACTOR to CITY for services under this Agreement. Upon request, CONTRACTOR agrees to furnish CITY, or a designated representative, with necessary information and assistance needed to conduct such an audit.

CONTRACTOR agrees that CITY or its delegate will have the right to review, obtain and copy all records pertaining to performance of this Agreement. CONTRACTOR agrees to provide CITY or its delegate with any relevant information requested and shall permit CITY or its delegate access to its premises, upon reasonable notice, during normal business hours for the purpose of interviewing employees and inspecting and copying such books, records, accounts, and other material that may be relevant to a matter under investigation for the purpose of determining compliance with this requirement. CONTRACTOR further agrees to maintain such records for a period of three (3) years after final payment under this Agreement.

ARTICLE 4
MISCELLANEOUS PROVISIONS

Section 4.1 Nondiscrimination

In performing services under this Agreement, CONTRACTOR shall not discriminate in the employment of its employees or in the engagement of any sub CONTRACTOR on the basis of race, color, religion, sex, sexual orientation, marital status, national origin, ancestry, age, or any other criteria prohibited by law.

Section 4.2 ADA Compliance

In performing services under this Agreement, CONTRACTOR shall comply with the Americans with Disabilities Act (ADA) of 1990, and all amendments thereto, as well as all applicable regulations and guidelines issued pursuant to the ADA.

Section 4.3 Indemnification and Responsibility for Damage

CONTRACTOR to the fullest extent permitted by law, shall indemnify and hold harmless CITY, its elected and appointed officials, directors, officers, employees and volunteers from and against any claims, damages, losses, and expenses (including reasonable attorney's fees and costs), arising out of performance of the services to be performed under this Agreement, provided that any such claim, damage, loss, or expense is caused by the negligent acts, errors or omissions of CONTRACTOR, any subcontractor employed directly by CONTRACTOR, anyone directly or indirectly employed by any of them, or anyone for whose acts they may be liable, except those injuries or damages arising out of the active negligence, sole negligence, or sole willful misconduct of the City of Lodi, its elected and appointed officials, directors, officers, employees and volunteers. CITY may, at its election, conduct the defense or participate in the defense of any claim related in any way to this indemnification. If CITY chooses at its own election to conduct its own defense, participate in its own defense, or obtain independent legal counsel in defense of any claim related to this indemnification, CONTRACTOR shall pay all of the costs related thereto, including without limitation reasonable attorney fees and costs. The defense and indemnification obligations required by this Agreement are undertaken in addition to, and shall not in any way be limited by the insurance obligations set forth herein.

Section 4.4 No Personal Liability

Neither the City Council, nor any other officer or authorized assistant or agent or City employee shall be personally responsible for any liability arising under this Agreement.

Section 4.5 Responsibility of CITY

CITY shall not be held responsible for the care or protection of any material or parts of the work described in the Scope of Services prior to final acceptance by CITY, except as expressly provided herein.

Section 4.6 Insurance Requirements for CONTRACTOR

CONTRACTOR shall take out and maintain during the life of this Agreement, insurance coverage as set forth in Exhibit C attached hereto and incorporated by this reference.

Section 4.7 Successors and Assigns

CITY and CONTRACTOR each bind themselves, their partners, successors, assigns, and legal representatives to this Agreement without the written consent of the others. CONTRACTOR shall not assign or transfer any interest in this Agreement without the prior written consent of CITY. Consent to any such transfer shall be at the sole discretion of CITY.

Section 4.8 Notices

Any notice required to be given by the terms of this Agreement shall be in writing signed by an authorized representative of the sender and shall be deemed to have been given when the same is personally served or upon receipt by express or overnight delivery, postage prepaid, or three (3) days from the time of mailing if sent by first class or certified mail, postage prepaid, addressed to the respective parties as follows:

To CITY: City of Lodi
 221 West Pine Street
 P.O. Box 3006
 Lodi, CA 95241-1910
 Attn: Jeff Hood/PRCS Director

To CONTRACTOR: Callander Associates Landscape Architecture, Inc.
 12150 Tributary Point Drive, Suite 140
 Gold River, CA 95670

Section 4.9 Cooperation of CITY

CITY shall cooperate fully and in a timely manner in providing relevant information it has at its disposal relevant to the Scope of Services.

Section 4.10 CONTRACTOR is Not an Employee of CITY

CONTRACTOR agrees that in undertaking the duties to be performed under this Agreement, it shall act as an independent contractor for and on behalf of CITY and not an employee of CITY. CITY shall not direct the work and means for accomplishment of

the services and work to be performed hereunder. CITY, however, retains the right to require that work performed by CONTRACTOR meet specific standards without regard to the manner and means of accomplishment thereof.

Section 4.11 Termination

CITY may terminate this Agreement, with or without cause, by giving CONTRACTOR at least ten (10) days written notice. Where phases are anticipated within the Scope of Services, at which an intermediate decision is required concerning whether to proceed further, CITY may terminate at the conclusion of any such phase. Upon termination, CONTRACTOR shall be entitled to payment as set forth in the attached Exhibit B to the extent that the work has been performed. Upon termination, CONTRACTOR shall immediately suspend all work on the Project and deliver any documents or work in progress to CITY. However, CITY shall assume no liability for costs, expenses or lost profits resulting from services not completed or for contracts entered into by CONTRACTOR with third parties in reliance upon this Agreement.

Section 4.12 Confidentiality

CONTRACTOR agrees to maintain confidentiality of all work and work products produced under this Agreement, except to the extent otherwise required by law or permitted in writing by CITY. CITY agrees to maintain confidentiality of any documents owned by CONTRACTOR and clearly marked by CONTRACTOR as "Confidential" or "Proprietary", except to the extent otherwise required by law or permitted in writing by CONTRACTOR. CONTRACTOR acknowledges that CITY is subject to the California Public Records Act.

Section 4.13 Applicable Law, Jurisdiction, Severability, and Attorney's Fees

This Agreement shall be governed by the laws of the State of California. Jurisdiction of litigation arising from this Agreement shall be venued with the San Joaquin County Superior Court. If any part of this Agreement is found to conflict with applicable laws, such part shall be inoperative, null, and void insofar as it is in conflict with said laws, but the remainder of this Agreement shall be in force and effect. In the event any dispute between the parties arises under or regarding this Agreement, the prevailing party in any litigation of the dispute shall be entitled to reasonable attorney's fees from the party who does not prevail as determined by the San Joaquin County Superior Court.

Section 4.14 City Business License Requirement

CONTRACTOR acknowledges that Lodi Municipal Code Section 3.01.020 requires CONTRACTOR to have a city business license and CONTRACTOR agrees to secure such license and pay the appropriate fees prior to performing any work hereunder.

Section 4.15 Captions

The captions of the sections and subsections of this Agreement are for convenience only and shall not be deemed to be relevant in resolving any question or interpretation or intent hereunder.

Section 4.16 Integration and Modification

This Agreement represents the entire understanding of CITY and CONTRACTOR as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered hereunder. This Agreement may not be modified or altered except in writing, signed by both parties.

Section 4.17 Contract Terms Prevail

All exhibits and this Agreement are intended to be construed as a single document. Should any inconsistency occur between the specific terms of this Agreement and the attached exhibits, the terms of this Agreement shall prevail.

Section 4.18 Severability

The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.

Section 4.19 Ownership of Documents

All documents, photographs, reports, analyses, audits, computer media, or other material documents or data, and working papers, whether or not in final form, which have been obtained or prepared under this Agreement, shall be deemed the property of CITY. Upon CITY's request, CONTRACTOR shall allow CITY to inspect all such documents during CONTRACTOR's regular business hours. Upon termination or completion of services under this Agreement, all information collected, work product and documents shall be delivered by CONTRACTOR to CITY within ten (10) calendar days.

CITY agrees to indemnify, defend and hold CONTRACTOR harmless from any liability resulting from CITY's use of such documents for any purpose other than the purpose for which they were intended.

Section 4.20 Authority

The undersigned hereby represent and warrant that they are authorized by the parties to execute this Agreement.

Section 4.21 Federal Transit Funding Conditions

☐ If the box at left is checked, the Federal Transit Funding conditions attached as Exhibit D apply to this Agreement. In the event of a conflict between the terms of this Agreement or any of its other exhibits, and the Federal Transit Funding Conditions, the Federal Transit Funding Conditions will control.

IN WITNESS WHEREOF, CITY and CONTRACTOR have executed this Agreement as of the date first above written.

CITY OF LODI, a municipal corporation


ATTEST:

JENNIFER M. FERRAILOLO
City Clerk

STEPHEN SCHWABAUER
City Manager

APPROVED AS TO FORM:
JANICE D. MAGDICH, City Attorney

Callander Associates Landscape Architecture, Inc.

By: _____


By: _____
Name: Benjamin W. Woodside
Title: Principal

Attachments:

Exhibit A – Scope of Services

Exhibit B – Fee Proposal

Exhibit C – Insurance Requirements

Exhibit D – Federal Transit Funding Conditions (if applicable)

Funding Source: 43799000.77020.PKCAP-0045.Planning
(Business Unit & Account No.)

Doc ID:

CA:Rev.01.2015



Recreate
Educate
Live+Work
Connect
Sustain
www.callanderassociates.com

EXHIBIT A

December 18, 2018

Mr. Jeff Hood
Lodi Parks, Recreation & Cultural Services Department
230 W. Elm Street
Lodi, CA 95240

RE: DEBENEDETTI PARK/landscape architecture services(REVISED)

Dear Mr. Hood,

We revised the scope per our discussion on 12/18/19.

The steps outlined below (with deliverables highlighted in bold face italics) are based on a proven project delivery methodology and are intended to get to answers in an efficient manner, allowing the City to pursue implementation of site improvements in the shortest period of time. The scope is flexible, and as such is subject to modification. We welcome the opportunity to meet with you to discuss Lodi's plan approval processes and identify appropriate modifications to this scope.

1.0 PROJECT INITIATION

- 1.01 **Project Kick-Off Meeting:** Schedule, coordinate and facilitate an initial meeting with City staff to discuss the goals, objectives, schedule and desired outcome of the project. Verify review process and other administrative procedures. Address any preliminary project concerns, and formalize contacts. Callander Associates to prepare and provide ***meeting agenda and written meeting summary*** (including what was discussed, decided upon, and all the next steps to be performed, or "action items").
- 1.02 **Site Mapping:** Prepare a base map utilizing City provided topographic survey files and record drawings combined with aerial photographs. ***Base map to be prepared at a scale of 1"= 40' to show all major existing features.*** Base map will be dimensionally accurate allowing for more accurate determination of spaces available for additional park uses. Base map to be provided to the City as a stand-alone electronic deliverable to aid in subsequent phases of work at the park.
- 1.03 **File Review:** Obtain historical information relevant to Master planning the Park from the City. This information is anticipated to include; record documents of park improvements, geotechnical soils reports, the City-wide Strategic Plan and input received by the City subsequent to the completion of the City-wide Strategic Plan. File information to be inventoried, listed in a directory of reference documents, and stored electronically for retrieval and use by all project team members.
- 1.04 **Site Investigation:** With the topographic survey in hand, conduct a site walk with City staff. Document observations photographically, on the survey, and in notes. Among the elements to be documented are; condition of existing improvements, existing vegetation, views

BURLINGAME
1633 Bayshore Highway, Suite 133
Burlingame, CA 94010
T 650.375.1313
F 650.344.3290

GOLD RIVER
12150 Tributary Point Drive, Suite 140
Gold River, CA 95670
T 916.985.4366
F 916.985.4391

SAN JOSE
300 South First Street, Suite 232
San Jose, CA 95113
T 408.275.0565
F 408.275.8047

(objectionable and desirable), weather patterns (solar orientation and wind), and adjacent land uses.

1.05 **Site Infrastructure Inventory:** As a means of capturing and evaluating the subsurface conditions (not possible during the site walk) we propose to:

- A. Review existing utility plans, reports, studies, and survey information provided by the City to assess the existing ground conditions, stormwater management, and utility infrastructure, including sanitary sewer, water, storm drainage, and natural gas.
- B. Assess the capacity of existing infrastructure within the park. Assessment will be based the site visit and review of existing documents.
- C. Assess condition of irrigation point of connection infrastructure.

1.06 **Outreach Program Development:** To a significant degree, we intend to capitalize on the investment that the City has already made in reaching out to the community during development of the 2016 Strategic Plan. Towards that goal we will begin by analyzing information already compiled in that Plan. Outreach will be targeted at answering new questions, or better define the opinions and preferences already found in that study. The following tasks are anticipated to be provided and refinements to the tasks indicated here will be identified during the start-up phase:

- A. Meet with City staff in a work session to refine the proposed outreach program.
- B. Assist staff in identifying key stakeholders (such as sports league representatives).
- C. Coordinate with City website administrator to set up a project web page which will provide project updates and include links to project opinion survey(s).
- D. Facilitate an on-line survey for purposes of polling residents.
- E. Prepare **up to 2 (two) public workshop announcement fliers** for City distribution

1.07 **Stakeholder Meeting:** Facilitate a single stakeholder meeting with representatives of sports leagues and clubs currently using the park facilities to gain understanding of needs of their organizations as they pertain to the park improvements. Prepare a **written meeting summary** of items discussed as a record for distribution to the City and attendees.

1.08 **Opportunities and Constraints Plan Development:** Prepare an **Opportunities and Constraints Plan**. Plan to consist of a 40 scale existing conditions map (the topographic survey) with opportunities and constraints superimposed. Constraints to be mapped include easements, utilities, setbacks, etc. Opportunities include service provisions, space, access and proximity to adjacent uses. Identify existing uses and programs that may already be 'in the pipeline' and physical links to the site. Prepare a **program listing itemizing the elements to be included in the park and their required supporting elements**.

- 1.09 **Initial Public Outreach Team Meeting:** Convene a meeting with City staff to review presentation materials and approach for the initial public outreach session. Prepare a **meeting summary capturing decision made** in the meeting and distribute to attendees.
- 1.10 **Initial Public Outreach (Public Workshop #1);** We propose facilitating the outreach sessions in an Open House format with multiple stations focusing on specific topics to inform attendees about the project and solicit feedback from the attendees on specific topics. At the initial public meeting we anticipate providing a project overview, discussing the findings of the Strategic Plan (as they relate to Debenedetti Park), providing a 'virtual tour' of the site, sharing the Opportunities and Constraints Plan. As part of the public input we will solicit input from attendees regarding facility programming needs and priorities and facilitate a brainstorming exercise involving engaging the public in the process of placing site improvement templates (play areas, courts, restroom buildings, etc.) in various configurations on a plan of the site. Alternatives as generated through this interactive process to be captured photographically in concept photos for further evaluation. Prepare a **written meeting summary** of items discussed as a record for distribution to the City and for posting on the project web page.

2.0 DRAFT SITE MASTER PLAN DEVELOPMENT

- 2.01 **Draft Master Plan Kickoff Team Meeting;** Convene a meeting with City staff to review the input received in the stakeholder meeting and initial public outreach meeting. Reach consensus on key project elements and prioritization of improvements. Prepare a **meeting summary** capturing decision made in the meeting and distribute to attendees.
- 2.02 **Draft Site Master Plan Alternatives;** Based on input received in the public meetings, through other forums, and as agreed upon in the prior team meeting, proceed to prepare up to **(2) two 40 scale overall Draft Master Plans for the site**. It is anticipated that multiple viable plans for the park are possible but no more than 2 warrant detailed evaluation. Master Plans to be labeled and color rendered. It is anticipated that the majority of program elements will be found in both schemes with each scheme showing them in different locations. Variations may also occur in emphasis (amount of programmed vs. unprogrammed space) and circulation. In addition to the plans themselves the following support exhibits will be prepared"
- A. Imagery: Compile **images of new elements**. Images to be assembled in a format suitable for public presentation and as individual images to be shared during presentations.
- B. Plan Comparison: To facilitate consensus building we will prepare a **side by side comparison of each concept**. Criteria to be included are parking, ease of access, circulation, and facilities provided by type.
- C. Draft Estimate of Probable Costs: Prepare a **preliminary estimate of probable construction costs for one of the Draft Master Plan Alternatives**. The estimate will show quantities and unit prices for any item of work anticipated to cost \$100,000 or more. The estimate will be based on actual quantities as can be estimated from the plans at this level of development. All costs associated with delivering the project, including administration costs (provided by the City), final design costs, permitting costs (provided by the City), inflation and contingencies will be included.

- D. Preliminary Phasing Study; In anticipation that the City's need to phase the project as becomes available, we will prepare a ***proposed phasing diagram for one of the Draft master Plan Alternatives***. The diagrams will show divisions of the park into 2-3 parts to be pursued in consecutive years or as funding allows. A listing of pro's and con's associated with each phasing diagram will be prepared to aid in determining the scope of the first phase park renovation plans.
- 2.03 **Presentation to City Staff:** Present the two Site Master Plan Alternatives, images and plan comparison, estimate and phasing study to City staff. Solicit input and discuss refinements to both plans and other documentation. Prepare a ***meeting summary*** capturing meeting decisions.
- 2.04 **Revisions to Draft Master Plan Alternatives and Support Exhibits:** ***Revise exhibits prepared as part of Task 2.02*** based on City staff input and incorporate into Workshop format.
- 2.05 **Public Workshop #2;** After revising the plan and support exhibits per agreed upon changes, present these documents to the public in an evening public meeting to be hosted by the City. This meeting is expected to follow the Open House format of the initial public meeting in a venue of the City's choosing. The emphasis of the project will be on the presentation of the preferred concept plan. A brief initial presentation beginning recapping of the steps to date will be made, to be followed by attendee tour of exhibit stations presenting the Draft Site Master Plan Alternatives. Input from all meeting attendees will be solicited and documented.

3.0 FINAL SITE MASTER PLAN DEVELOPMENT

- 3.01 **Final Site Master Plan Kickoff Team Meeting:** Convene a meeting with City staff to review the input received during Public Workshop #2. Reach consensus of preferred elements of each concept to carry forward into the Final Draft Site Master Plan. Prepare a meeting summary capturing decisions made in the meeting and distribute to attendees.
- 3.02 **Draft Site Master Plan Development;** Prepare a single unified concept reflecting the preferences of the community and input from City staff. ***Draft Site Master Plan*** to be prepared at a scale of 1"= 40' scale. All major elements to be shown including new recreation facilities, play areas, paths, drives and buildings. Plan to be labeled and color rendered.
- A. ***Update image boards to reflect the selected elements.*** Updated image board to contain up to 20 images.
- 3.03 **Estimate of Probable Costs;** Prepare an ***updated estimate of probable construction costs for all the improvements shown in the Draft Site Master Plan***. The estimate will show quantities and unit prices for any item of work anticipated to cost \$100,000 or more. The estimate will be based on actual quantities as can be estimated from the plans and bid prices. The estimate will include 30 – 50 discrete cost items. All costs associated with delivering the project, including administration costs, final design costs, permitting, inflation and contingencies will be included.

- 3.04 **Phasing Considerations;** Prepare *up to (2) two alternative phasing diagrams for the Draft Site master Plan*. The diagrams will show divisions of the park into 2-3 parts to be pursued in consecutive years or as funding allows. A listing of pro's and con's associated with each phasing diagram will be prepared to aid in determining the scope of the first phase park renovation plans.
- 3.05 **Team Meeting;** Present the Draft Site Master Plan, Estimate of Probable Construction Costs, and Phasing Considerations to City staff in a work session. Discuss each of the work products individually and identify revisions to each. ***Document the meeting and decisions made in a meeting summary*** or subsequent distribution to meeting attendees.
- 3.06 **Presentation to Parks and Recreation Commission;** Make a presentation of the Draft Site Master Plan to the Parks and Recreation Commission, noting the input received from the public and the changes made in response to the input. Facilitate the meeting by offering clarifications and responding to question posed by the Commission members.
- 3.07 **Master Plan Refinement; Update the Draft Site Master Plan** prior to presenting to Council, incorporating input received from the Parks and Recreation Commission, staff and the public in the P & R Commission meeting. The Master Plan will be compiled in book format, with the prior work products attached including meeting summaries, prior concepts, prior estimates, background data and other information relevant to the development of the final draft Site Master Plan.
- 3.08 **Presentation to City Council;** Present excerpts from the Master Plan report to the CC including the recommended plan, estimate of probable construction costs and suggested project phasing. Solicit input from the Council and seek to obtain conditional adoption of the final Site Master Plan.
- 3.09 **Final Team Meeting;** Meet with staff subsequent to the City Council meeting to discuss report finalization and final deliverables.
- 3.10 **Final Site Master Plan;** Following a meeting (or teleconference) with City staff to recap the City Council Presentation and feedback, Final Site Master Plan will be updated to incorporate agreed upon elements. Support documents will be updated in similar fashion. ***Final Master Plan and book in PDF*** format will be provided to City.

4.0 CEQA DOCUMENT (TBD)

5.0 ADDITIONAL SERVICES

- 5.01 All tasks not specifically noted above could be performed as additional services. These tasks would include, but not be limited to, all revisions or additional submittals required by the City or any other agency's review, other meetings, additional design studies, or other tasks not specifically noted in the foregoing. These services would be billed hourly or on a lump sum fee basis to be documented in a written amendment to this agreement.

6.0 REIMBURSABLE EXPENSES

- 6.01 In addition to the above fees, we would bill for all printing and reproduction, delivery, horticultural soils samples, the communication and insurance surcharge, and other reimbursable expenses as noted in the attached Standard Schedule of Compensation. You should establish a tentative budget for these expenses (see attached Task Fee). These costs will be itemized on our invoice and compared monthly with the total allowances to assist you in monitoring these costs.

Attachments:

DeBenedetti Task Fee for Services, dated December 18, 2018

Callander Associates 2018-2019 Fee Schedule

EXHIBIT B

Task Matrix

DeBenedetti Park

December 18, 2018

| Callander Associates' Personnel and Rates | | | | | | | | | | | | | |
|---|--------------------|----------------------|--------------------|------------------------|--------------------|-----------------------|--------------------|--------------------------|--------------------|------------------------------|------------------|--------------|---------------------|
| Principal @ \$175 | | Associate @ \$153 | | Job Captain @ \$114 | | Designer 1 @ \$105 | | Administrator @ \$101 | | Construction Man. @ \$141 | | CA Fees | |
| hrs | \$'s | hrs | \$'s | hrs | \$'s | hrs | \$'s | hrs | \$'s | hrs | \$'s | hrs | \$'s |
| 3.5 | \$ 612.50 | 4.5 | \$ 688.50 | - | \$ - | - | \$ - | 0.5 | \$ 50.50 | - | \$ - | 8.5 | \$ 1,351.50 |
| - | \$ - | - | \$ - | - | \$ - | 8.0 | \$ 840.00 | - | \$ - | - | \$ - | 8.0 | \$ 840.00 |
| - | \$ - | 2.0 | \$ 306.00 | 4.0 | \$ 456.00 | - | \$ - | - | \$ - | - | \$ - | 6.0 | \$ 762.00 |
| - | \$ - | 4.0 | \$ 612.00 | 4.0 | \$ 456.00 | - | \$ - | - | \$ - | - | \$ - | 8.0 | \$ 1,068.00 |
| 1.0 | \$ 175.00 | 2.0 | \$ 306.00 | 4.0 | \$ 456.00 | - | \$ - | - | \$ - | 1.0 | \$ 141.00 | 8.0 | \$ 1,078.00 |
| 1.0 | \$ 175.00 | 8.0 | \$ 1,224.00 | 8.0 | \$ 912.00 | 24.0 | \$ 2,520.00 | 12.0 | \$ 1,212.00 | - | \$ - | 53.0 | \$ 6,043.00 |
| - | \$ - | 3.5 | \$ 535.50 | 4.5 | \$ 513.00 | - | \$ - | 1.0 | \$ 101.00 | - | \$ - | 9.0 | \$ 1,149.50 |
| 1.0 | \$ 175.00 | 2.0 | \$ 306.00 | 8.0 | \$ 912.00 | 16.0 | \$ 1,680.00 | - | \$ - | - | \$ - | 27.0 | \$ 3,073.00 |
| - | \$ - | 3.5 | \$ 535.50 | - | \$ - | - | \$ - | - | \$ - | - | \$ - | 3.5 | \$ 535.50 |
| 4.0 | \$ 700.00 | 6.0 | \$ 918.00 | 12.0 | \$ 1,368.00 | - | \$ - | 2.0 | \$ 202.00 | - | \$ - | 24.0 | \$ 3,188.00 |
| 10.5 | \$ 1,837.50 | 35.5 | \$ 5,431.50 | 44.5 | \$ 5,073.00 | 48.0 | \$ 5,040.00 | 15.5 | \$ 1,565.50 | 1.0 | \$ 141.00 | 155.0 | \$ 19,088.50 |
| - | \$ - | 4.5 | \$ 688.50 | - | \$ - | - | \$ - | 1.0 | \$ 101.00 | - | \$ - | 5.5 | \$ 789.50 |
| 1.0 | \$ 175.00 | 8.0 | \$ 1,224.00 | 12.0 | \$ 1,368.00 | 40.0 | \$ 4,200.00 | - | \$ - | - | \$ - | 61.0 | \$ 6,967.00 |
| - | \$ - | 1.0 | \$ 153.00 | 2.0 | \$ 228.00 | 8.0 | \$ 840.00 | - | \$ - | - | \$ - | 11.0 | \$ 1,221.00 |
| 0.5 | \$ 87.50 | 2.0 | \$ 306.00 | 4.0 | \$ 456.00 | - | \$ - | - | \$ - | - | \$ - | 6.5 | \$ 849.50 |
| - | \$ - | 2.0 | \$ 306.00 | 8.0 | \$ 912.00 | - | \$ - | 1.0 | \$ 101.00 | 0.5 | \$ 70.50 | 11.5 | \$ 1,389.50 |
| 0.5 | \$ 87.50 | 1.0 | \$ 153.00 | 4.0 | \$ 456.00 | - | \$ - | - | \$ - | - | \$ - | 5.5 | \$ 696.50 |
| - | \$ - | 4.5 | \$ 688.50 | - | \$ - | - | \$ - | 1.0 | \$ 101.00 | - | \$ - | 5.5 | \$ 789.50 |
| - | \$ - | 4.0 | \$ 612.00 | 8.0 | \$ 912.00 | 24.0 | \$ 2,520.00 | - | \$ - | - | \$ - | 36.0 | \$ 4,044.00 |
| 4.0 | \$ 700.00 | 6.0 | \$ 918.00 | 12.0 | \$ 1,368.00 | - | \$ - | 2.0 | \$ 202.00 | - | \$ - | 24.0 | \$ 3,188.00 |
| 6.0 | \$ 1,050.00 | 33.0 | \$ 5,049.00 | 50.0 | \$ 5,700.00 | 72.0 | \$ 7,560.00 | 5.0 | \$ 505.00 | 0.5 | \$ 70.50 | 166.5 | \$ 19,934.50 |
| - | \$ - | 4.5 | \$ 688.50 | - | \$ - | - | \$ - | 1.0 | \$ 101.00 | - | \$ - | 5.5 | \$ 789.50 |
| 1.0 | \$ 175.00 | 4.0 | \$ 612.00 | 8.0 | \$ 912.00 | 20.0 | \$ 2,100.00 | - | \$ - | - | \$ - | 33.0 | \$ 3,799.00 |
| - | \$ - | 1.0 | \$ 153.00 | 2.0 | \$ 228.00 | 4.0 | \$ 420.00 | - | \$ - | - | \$ - | 7.0 | \$ 801.00 |
| 1.0 | \$ 175.00 | 1.0 | \$ 153.00 | 6.0 | \$ 684.00 | - | \$ - | 1.0 | \$ 101.00 | 0.5 | \$ 70.50 | 9.5 | \$ 1,183.50 |
| - | \$ - | 1.0 | \$ 153.00 | 2.0 | \$ 228.00 | - | \$ - | - | \$ - | - | \$ - | 3.0 | \$ 381.00 |
| - | \$ - | 4.5 | \$ 688.50 | - | \$ - | - | \$ - | 1.0 | \$ 101.00 | - | \$ - | 5.5 | \$ 789.50 |
| - | \$ - | 6.0 | \$ 918.00 | 8.0 | \$ 912.00 | 16.0 | \$ 1,680.00 | - | \$ - | - | \$ - | 30.0 | \$ 3,510.00 |
| - | \$ - | 8.0 | \$ 1,224.00 | 16.0 | \$ 1,824.00 | 20.0 | \$ 2,100.00 | 20.0 | \$ 2,020.00 | - | \$ - | 64.0 | \$ 7,168.00 |

Task Matrix

DeBenedetti Park

December 18, 2018

| Callander Associates' Personnel and Rates | | | | | | | | | | | | | |
|---|-----------|----------------------|-------------|------------------------|-------------|-----------------------|-------------|--------------------------|-------------|------------------------------|----------|---------|--------------|
| Principal @ \$175 | | Associate @ \$153 | | Job Captain @ \$114 | | Designer 1 @ \$105 | | Administrator @ \$101 | | Construction Man. @ \$141 | | CA Fees | |
| hrs | \$'s | hrs | \$'s | hrs | \$'s | hrs | \$'s | hrs | \$'s | hrs | \$'s | hrs | \$'s |
| - | \$ - | 4.5 | \$ 688.50 | - | \$ - | - | \$ - | - | \$ - | - | \$ - | 4.5 | \$ 688.50 |
| - | \$ - | 4.5 | \$ 688.50 | - | \$ - | - | \$ - | 1.0 | \$ 101.00 | - | \$ - | 5.5 | \$ 789.50 |
| 1.0 | \$ 175.00 | 4.0 | \$ 612.00 | 8.0 | \$ 912.00 | 16.0 | \$ 1,680.00 | - | \$ - | - | \$ - | 29.0 | \$ 3,379.00 |
| 3.0 | \$ 525.00 | 43.0 | \$ 6,579.00 | 50.0 | \$ 5,700.00 | 76.0 | \$ 7,980.00 | 24.0 | \$ 2,424.00 | 0.5 | \$ 70.50 | 196.5 | \$ 23,278.50 |

| | hrs | CALA | TOTAL |
|--|--------|--------------|--------------|
| 1.0 Project Initiation | 155.00 | \$ 19,088.50 | \$ 19,088.50 |
| 2.0 Draft Site Master Plan Development | 166.50 | \$ 19,934.50 | \$ 19,934.50 |
| 3.0 Final Site Master Plan | 196.50 | \$ 23,278.50 | \$ 23,278.50 |
| Reimbursables | | | \$ 3,115.08 |
| TOTAL COMPENSATION | 518.00 | \$ 62,301.50 | \$ 65,416.58 |



EXHIBIT C

NOTE: The City of Lodi is now using the online insurance program PINS Advantage. Once you have been awarded a contract you will receive an email from the City's online insurance program requesting you to forward the email to your insurance provider(s) to submit the required insurance documentation electronically

Insurance Requirements for Design Professionals- Architects/Engineers

Contractor shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder and the results of that work by the Contractor, his agents, representatives, employees or subcontractors.

MINIMUM SCOPE AND LIMIT OF INSURANCE

Coverage shall be at least as broad as:

1. **Commercial General Liability (CGL):** Insurance Services Office Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than **\$2,000,000** per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.
2. **Automobile Liability:** ISO Form Number CA 00 01 covering any auto or if Contractor has no owned autos, then hired, and non-owned autos with limit no less than **\$1,000,000** per accident for bodily injury and property damage.
3. **Workers' Compensation:** as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than **\$1,000,000** per accident for bodily injury or disease.
4. **Professional Liability (Errors and Omissions)** Insurance appropriate to the Consultant's profession, with limits not less than **\$2,000,000** per occurrence or claim.

Other Insurance Provisions:

- (a) Additional Named Insured Status
The City of Lodi, its elected and appointed boards, commissions, officers, agents, employees, and volunteers are to be covered as additional insureds on the CGL and auto policy with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Contractor's insurance (at least as broad as ISO Form CG 20 10 11 85 or if not available, through the addition of **both** CG 20 10, CG 20 26, CG 20 33, or CG 20 38; **and** CG 20 37 if a later edition is used
- (b) Primary and Non-Contributory Insurance Endorsement
The limits of insurance coverage required may be satisfied by a combination of primary and umbrella or excess insurance. For any claims related to this contract, the Contractor's insurance coverage shall be primary coverage **at least as broad** as ISO CG 20 01 04 13 as respects the Entity, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the Entity, its officers, officials, employees, or volunteers shall be excess of the Contractor's insurance and shall not contribute with it.
- (c) Waiver of Subrogation Contractor hereby grants to City of Lodi a waiver of any right to subrogation which any insurer of said Contractor may acquire against the City of Lodi by virtue of the payment of any loss under such insurance. Contractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the City of Lodi has received a waiver of subrogation endorsement from the insurer

NOTE: (1) The street address of the **CITY OF LODI** must be shown along with (a) and (b) and (c) above: 221 West Pine Street, Lodi, California, 95240; (2) The insurance certificate must state, on its face or as an endorsement, a description of the project that it is insuring.

- (d) Severability of Interest Clause
The term "insured" is used severally and not collectively, but the inclusion herein of more than one insured shall not operate to increase the limit of the company's liability under the Contractors commercial general liability and automobile liability policies.
- (e) Notice of Cancellation or Change in Coverage Endorsement
This policy may not be canceled nor the coverage reduced by the company without 30 days' prior written notice of such cancellation or reduction in coverage to the Risk Manager, City of Lodi, 221 West Pine St., Lodi, CA 95240.

- (f) Continuity of Coverage
All policies shall be in effect on or before the first day of the Term of this Agreement. At least thirty (30) days prior to the expiration of each insurance policy, Contractor shall furnish a certificate(s) showing that a new or extended policy has been obtained which meets the minimum requirements of this Agreement. Contractor shall provide proof of continuing insurance on at least an annual basis during the Term. If Contractor's insurance lapses or is discontinued for any reason, Contractor shall immediately notify the City and immediately obtain replacement insurance. Contractor agrees and stipulates that any insurance coverage provided to the City of Lodi shall provide for a claims period following termination of coverage which is at least consistent with the claims period or statutes of limitations found in the California Tort Claims Act (California Government Code Section 810 et seq.).
- (g) Failure to Comply
If Contractor fails or refuses to obtain and maintain the required insurance, or fails to provide proof of coverage, the City may obtain the insurance. Contractor shall reimburse the City for premiums paid, with interest on the premium paid by the City at the maximum allowable legal rate then in effect in California. The City shall notify Contractor of such payment of premiums within thirty (30) days of payment stating the amount paid, the name(s) of the insurer(s), and rate of interest. Contractor shall pay such reimbursement and interest on the first (1st) day of the month following the City's notice. Notwithstanding any other provision of this Agreement, if Contractor fails or refuses to obtain or maintain insurance as required by this agreement, or fails to provide proof of insurance, the City may terminate this Agreement upon such breach. Upon such termination, Contractor shall immediately cease use of the Site or facilities and commence and diligently pursue the removal of any and all of its personal property from the site or facilities.
- (h) Verification of Coverage
Consultant shall furnish the City with a copy of the policy declaration and endorsement page(s), original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the City before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Consultant's obligation to provide them. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time. **Failure to exercise this right shall not constitute a waiver of the City's right to exercise after the effective date.**
- (i) Self-Insured Retentions
Self-insured retentions must be declared to and approved by the City. The City may require the Consultant to provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or City.
- (j) Insurance Limits
The limits of insurance described herein shall not limit the liability of the Contractor and Contractor's officers, employees, agents, representatives or subcontractors. Contractor's obligation to defend, indemnify and hold the City and its officers, officials, employees, agents and volunteers harmless under the provisions of this paragraph is not limited to or restricted by any requirement in the Agreement for Contractor to procure and maintain a policy of insurance.
- (k) Subcontractors
Consultant shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and Consultant shall ensure that City is an additional insured on insurance required from subcontractors
- (l) Claims Made Policies
If any of the required policies provide coverage on a claims-made basis:
1. The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.
2. Insurance must be maintained and evidence of insurance must be provided for **at least five (5) years** after completion of the contract of work.
3. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the Consultant must purchase "extended reporting" coverage for a minimum of five (5) years after completion of contract work.
- (m) Qualified Insurer(s)
All insurance required by the terms of this Agreement must be provided by insurers licensed to do business in the State of California which are rated at least "A-, VI" by the AM Best Ratings Guide, and which are acceptable to the City. Non-admitted surplus lines carriers may be accepted provided they are included on the most recent list of California eligible surplus lines insurers (LESLI list) and otherwise meet City requirements.

RESOLUTION NO. 2019-_____

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING THE
CITY MANAGER TO EXECUTE A PROFESSIONAL SERVICES
AGREEMENT WITH CALLANDER ASSOCIATES LANDSCAPE
ARCHITECTURE, INC., OF GOLD RIVER, FOR DEBENEDETTI PARK
SITE PLAN DESIGN; AND FURTHER APPROPRIATING FUNDS

=====

WHEREAS, DeBenedetti Park has approximately 20 acres of undeveloped land and funds for the park's future development are accumulating in the Park Impact Fee fund due to completed and planned housing and commercial projects; and

WHEREAS, the previous plan for DeBenedetti Park was completed in 2002, before funds for any development were available, and does not align with the findings of the Parks, Recreation and Cultural Services Department's 2016 Strategic Plan; and

WHEREAS, the Parks, Recreation and Cultural Services Department issued a Request for Qualifications, solicited responses from landscape architecture and park design firms, and created a screening committee comprising Department staff and members of the Lodi Parks and Recreation Commission to select the best landscape architecture firm to design DeBenedetti Park; and

WHEREAS, on January 8, 2019, the Lodi Parks and Recreation Commission voted affirmatively to support the screening committee's recommendation that the Lodi City Council approve a Professional Services Agreement with Callander Associates Landscape Architecture, Inc., of Gold River, for a new design of DeBenedetti Park; and

WHEREAS, staff recommends authorizing the City Manager to execute a Professional Services Agreement with Callander Associates Landscape Architecture, Inc., for DeBenedetti Park site plan design and further recommends appropriation of \$65,416.58.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby authorize the City Manager to execute a Professional Services Agreement with Callander Associates Landscape Architecture, Inc., of Gold River, California, for DeBenedetti Park site plan design, in the amount of \$65,416.58; and

BE IT FURTHER RESOLVED that the Lodi City Council does hereby authorize the appropriation of \$65,416.58 from the Park Impact Fee 437 Fund balance to 43799000.77020.

Dated: January 16, 2019

=====

I hereby certify that Resolution No. 2019-_____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held January 16, 2019, by the following vote:

AYES: COUNCIL MEMBERS –
NOES: COUNCIL MEMBERS –
ABSENT: COUNCIL MEMBERS –
ABSTAIN: COUNCIL MEMBERS –

JENNIFER M. FERRAILOLO
City Clerk

2019-_____



CITY OF LODI COUNCIL COMMUNICATION

TM

AGENDA TITLE: Adopt Resolution Approving the Annual Shared Automation Fee Structure for the Agreement between the City of Stockton and Sirsi, Corp., Integrated Library System, and Approving Cost-Sharing Fee for Fiscal Year 2018/19 (\$25,105)

MEETING DATE: January 16, 2019

PREPARED BY: Library Director

RECOMMENDED ACTION: Adopt resolution approving the annual shared automation fee structure for the agreement between the City of Stockton and Sirsi, Corp., Integrated Library System, and approving cost-sharing fee for Fiscal Year 2018/19 of \$25,105

BACKGROUND INFORMATION: In 2003 as authorized by the City Council, the Lodi Public Library entered into a partnership with Stockton San Joaquin County Library System to share an Integrated Library System (ILS) provided by Sirsi Corporation. The Sirsi ILS integrates all the functions of the library in one automated system. It allows users online access to the catalog to search for library material and access their accounts via the Internet to place holds and to receive email notification of holds, overdue items, and due date reminders. The integrated library system maintains all the records of items in the collection and registered borrowers and their status in relation to each other. The contract requires the parties to annually agree on a fee structure for Sirsi services to the Lodi Library.

City of Stockton Information Technology Department staff provides computer technology services and Stockton Library staff members consult on implementation of the system and software as needed. Lodi's system maintenance costs charged by Sirsi Corporation are directly passed through from Stockton. Lodi shares a percentage of connectivity charges based on the percentage of peripheral equipment connected to the system. Charges for City of Stockton staffing expertise and consultation are charged annually for estimated services rendered. This year, Stockton proposes that Lodi pay \$25,105 under the contract. This represents a 0.95% decrease from \$25,345 in the prior fiscal year. Staff are looking for alternative models to deliver the services under this contract. However, terminating this agreement requires 90 days' notice which has run. Staff will calendar the termination deadline to be able to offer new options at the conclusion of this year.

FISCAL IMPACT: Sharing library resources with the City of Stockton is a cost-effective way to provide Lodi Public Library patrons with convenient, online access to library materials and resources. This expense is included in the Fiscal Year 2018/19 adopted budget.

FUNDING AVAILABLE: 12090000.72450; \$25,105

Andrew Keys, Deputy City Manager

Anwan Baker, Library Director

DG/yh

APPROVED: _____
Stephen Schwabauer, City Manager



CITY OF STOCKTON
COMMUNITY SERVICES DEPARTMENT
STOCKTON-SAN JOAQUIN COUNTY PUBLIC LIBRARY
605 N. El Dorado Street • Stockton, CA 95202-1907 • 209-937-8206
www.stocktongov.com

INVOICE

City of Lodi
201 W. Locust St
Lodi CA Zip 95240

ATTN: **Anwan Baker, Library Director**

Invoice No. 433871
Invoice Date: 11-14-18
PO No.
Period of Service:
July 1, 2018 - June 30, 2019

| Description | Price |
|---|-----------------|
| Annual automation service and maintenance fee for the | \$25,105 |
| City of Lodi Library, includes Unicorn software & maintenance, | |
| Datastream & Enterprise subscriptions, hardware annual support, | |
| Symphony software, staff costs, and estimated connectivity | |
| | |
| | |
| | |
| | |
| | |
| TOTAL | \$25,105 |

Office Use Only

Revenue Account: 041-3530-347-12-00 Proj #CL2071
Customer Account: 39054-39054
Prepared by: Lfarrar

Invoice is due and payable upon receipt.
Mail remittance to City of Stockton, 605 N. El Dorado Street, Stockton CA 95202
For questions regarding this Invoice, please contact David Tolliver 209-937-8154

CITY OF STOCKTON
COMMUNITY SERVICES - LIBRARY
FEE for SHARED LIBRARY AUTOMATION WORKSHEET

CITY OF LODI
ANNUAL SERVICE AND MAINTENANCE FEE
FOR THE FISCAL YEAR JULY 1, 2018 – JUNE 30, 2019

| | Amount | Lodi Rate | 2018-19 Fee | Change 17-18 to 18-19 | 2017-18 Fee |
|---|--------|--------------|----------------|-----------------------------|----------------|
| Hardware/Software Fees: | | | | | |
| Lodi Library Unicorn Software Maintenance | | | 18,432 | 518 | 17,914 |
| Datastream Subscription | | | 2,357 | 66 | 2,290 |
| Sun Server Subscription | | | - | - | - |
| Hardware annual support | | | | - | |
| Enterprise Recurring Data Services Subscription Maintenance | | | 0 | - | 0 |
| SIP2 interface | | | 487 | 14 | 473 |
| Discount | | | | - | |
| | | | 21,276 | 599 | 20,677 |
| Estimated 18-19 Internet Access Fees: | | | | | |
| Based on prior year actual 041-3530-580-20-15 | 15,147 | | | | |
| | - | | | | |
| Total Estimated Internet Access Fees | 15,147 | 7.87% | 1,193 | - | 1,193 |
| | | | | - | |
| Staff Fee | | | 2,282 | - | 2,282 |
| Library Overhead & Indirect Costs (15.5% x staff costs) | | | 354 | - | 354 |
| TOTAL FEES | | | 25,105 | 599 | 24,506 |

RESOLUTION NO. 2019-_____

A RESOLUTION OF THE LODI CITY COUNCIL APPROVING THE ANNUAL
SHARED AUTOMATION FEE STRUCTURE FOR THE AGREEMENT
BETWEEN THE CITY OF STOCKTON AND SIRSI CORPORATION
INTEGRATED LIBRARY SYSTEM; AND FURTHER APPROVING COST
SHARING FEE FOR 2018/19 BUDGET YEAR

=====

WHEREAS, in 2003, as authorized by the City Council, the Lodi Public Library entered into a contract with Stockton San Joaquin County Library System to share an Integrated Library System provided by Sirsi Corporation; and

WHEREAS, City of Stockton Information Technology department staff provides computer technology services and Stockton Library staff members consult on implementation of the system and software as needed; and

WHEREAS, Lodi's system maintenance costs charged by Sirsi Corporation are directly passed through from City of Stockton; City of Lodi shares a percentage of connectivity charges based on the percentage of peripheral equipment connected to the system; charges for the City of Stockton staffing expertise and consultation are charged annually for estimated services rendered; and

WHEREAS, staff recommends paying the City of Lodi's annual share of \$25,105 for the Sirsi Corporation Integrated Library System for Fiscal Year 2018/19.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby approve the Annual Shared Automation Fee Structure for the agreement between the City of Stockton and Sirsi Corporation Integrated Library System, and approve cost sharing fee for the 2018/19 budget year in the amount of \$25,105.

Dated: January 16, 2019

=====

I hereby certify that Resolution No. 2019-_____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held January 16, 2019, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

JENNIFER M. FERRAILOLO
City Clerk

2019-_____



CITY OF LODI COUNCIL COMMUNICATION

TM

AGENDA TITLE: Adopt Resolution Authorizing Cellebrite Training and Appropriate Funds (\$8,000)

MEETING DATE: January 16, 2019

PREPARED BY: Police Chief

RECOMMENDED ACTION: Adopt resolution authorizing Cellebrite training and appropriate funds in the amount of \$8,000.

BACKGROUND INFORMATION: It is important for the police staff to be trained and outfitted with the most current technology to combat crime. The department has the chance to send one of our officers to Cellebrite training. Cellebrite is the leading training provider for cell phone forensics training for law enforcement, military, intelligence and private sector practitioners around the world. The classes are designed to teach students core mobile forensics concepts and how to conduct cell phone data extractions.

It is appropriate for the department to use asset seizure funds for the cost of the training and incidental costs because the training will directly benefit the Special Investigations Unit (SIU). SIU works all of the cases involving asset seizure which will fund the training. Asset Seizure Funds are received from the County after a case involving seized assets is tried and a conviction is made. All asset forfeiture money must be spent on police training, activities, or equipment. We are requesting the appropriation of \$8,000 from asset seizure funds to pay for this training; this would free the department's general fund budgeted training money to pay for more generalized training.

FISCAL IMPACT: Appropriate funds from the Asset Seizure Fund.

FUNDING AVAILABLE: Asset Seizure Fund \$8,000.00 (21099000.77020 - Expense)

Andrew Keys
Deputy City Manager/Internal Services Director

Tod Patterson
Chief of Police

APPROVED: _____
Stephen Schwabauer, City Manager

RESOLUTION NO. 2019-_____

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING
CELLEBRITE TRAINING AND FURTHER APPROPRIATING
FUNDS FROM THE COUNTY ASSET SEIZURE ACCOUNT

=====

WHEREAS, it is important for the police staff to be trained and outfitted with the most current technology to combat crime; and

WHEREAS, the Police Department has the opportunity to send an officer to Cellebrite training; and

WHEREAS, Cellebrite is the leading provider for cell phone forensics training for law enforcement; and

WHEREAS, it is appropriate for the department to use asset seizure funds for the cost of the training and incidental costs; and

WHEREAS, the total cost to the City will be \$8,000; and

WHEREAS, staff recommends authorizing Cellebrite training and appropriating funds from the county asset seizure account to pay for police training in the amount of \$8,000.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does authorize Cellebrite training for Police Department staff; and

BE IT FURTHER RESOLVED that the Lodi City Council does hereby appropriate funds for the police training as follows:

Asset Seizure Fund \$8,000 (21099000.77020 - Expense)

Date: January 16, 2019

=====

I hereby certify that Resolution No. 2019-_____ was passed and adopted by the Lodi City Council in a regular meeting held January 16, 2019, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

JENNIFER M. FERRAIOLO
City Clerk



TM

CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Accept Monthly Protocol Account Report Through December 31, 2018
MEETING DATE: January 16, 2019
PREPARED BY: City Clerk

RECOMMENDED ACTION: Accept Monthly Protocol Account Report through December 31, 2018.

BACKGROUND INFORMATION: The City Council, at its meeting of July 19, 2000, adopted Resolution No. 2000-126 approving a policy relating to the City's "Protocol Account." As a part of this policy, it was directed that a monthly itemized report of the "Protocol Account" be provided to the City Council.

Attached please find the cumulative report through December 31, 2018.

FISCAL IMPACT: Not applicable.

FUNDING AVAILABLE: See attached.

Jennifer M. Ferraiolo
City Clerk

JMF/PMF

Attachment

APPROVED: _____
Stephen Schwabauer, City Manager

Cumulative Report through November 30, 2018

Prepared by: PMF



CITY OF LODI COUNCIL COMMUNICATION

TM

AGENDA TITLE: Set Public Hearing for February 6, 2019 to Consider Adopting Resolution Authorizing City Manager to Execute Reimbursement Agreement RA-18-01, for Public Improvements Constructed with Lodi Shopping Center

MEETING DATE: January 16, 2019

PREPARED BY: Public Works Director

RECOMMENDED ACTION: Set public hearing for February 6, 2019 to consider adopting resolution authorizing City Manager to execute Reimbursement Agreement RA-18-01, for public improvements constructed with Lodi Shopping Center.

BACKGROUND INFORMATION: Browman Development Company (BDC), the developer of Lodi Shopping Center (LSC), located at the southwest corner of Kettleman Lane and Lower Sacramento Road, entered into an Improvement Agreement with the City, dated July 28, 2015. As required under the conditions of approval for the project and terms of the Improvement Agreement, BDC, and by separate agreement, Elliot Homes, Inc. (collectively "Applicants"), completed certain public improvements on Westgate Drive and Century Boulevard. The improvements include the installation of asphalt concrete pavement, concrete curb, gutter and sidewalk, concrete median with landscape, water, wastewater, storm drainage lines, traffic signal modifications at Kettleman Lane and Westgate Drive, wastewater trunk line relocation, storm water basin, and storm water pump station. Portions of the public improvements installed by Applicants benefit properties outside the project area, which lie between Kettleman Lane and Harney Lane. The benefiting properties are shown on Exhibit A.

The public improvements for LSC were accepted by City Council on October 19, 2016. Applicants request a Reimbursement Agreement in conformance with Lodi Municipal Code (LMC) Chapter 17.62, to recover the cost of the improvements benefiting the above mentioned properties, including related costs such as land cost, engineering, inspection, and plan check fees. The Engineer's Report, on file in the Public Works Department, prepared by SNG Associates, Inc., utilized established engineering principles to determine the appropriate reimbursement for each benefiting property. A peer review of the Engineer's Report was performed by CSG Consultants, Inc. The reimbursable costs for each benefiting property are shown on Exhibit B. The LMC (Section 17.12.040A(2)) specifically requires Applicant to provide the "engineering calculations and data" utilized by SNG Associates, Inc.

The public hearing to consider the Reimbursement Agreement was originally scheduled to be conducted on April 19, 2018, but was continued, then ultimately cancelled on August 1, 2018, because one major property owner, FCB Homes (FCB), disagrees with the reimbursement methodology, and resulting allocations, presented by Applicants and supported by City Staff. This disagreement resulted in threats of litigation from both FCB and Applicants.

APPROVED: _____
Stephen Schwabauer, City Manager

Staff recommends setting a public hearing for February 6, 2019 to consider adopting resolution authorizing City Manager to execute Reimbursement Agreement RA-18-01, for public improvements constructed with Lodi Shopping Center.

FISCAL IMPACT: All costs to prepare and administer Reimbursement Agreement RA-18-01 are initially borne by Applicants. Applicants are reimbursed as the benefiting properties within the RA-18-01 boundary develop.

FUNDING AVAILABLE: Not applicable.

Charles E. Swimley, Jr.
Public Works Director

CES/LC/tdb
Attachments

cc: Senior Civil Engineer, Nathan
Senior Engineering Technician, Wiman
Public Works Management Analyst
Browman Development
SNG & Associates
Property Owners

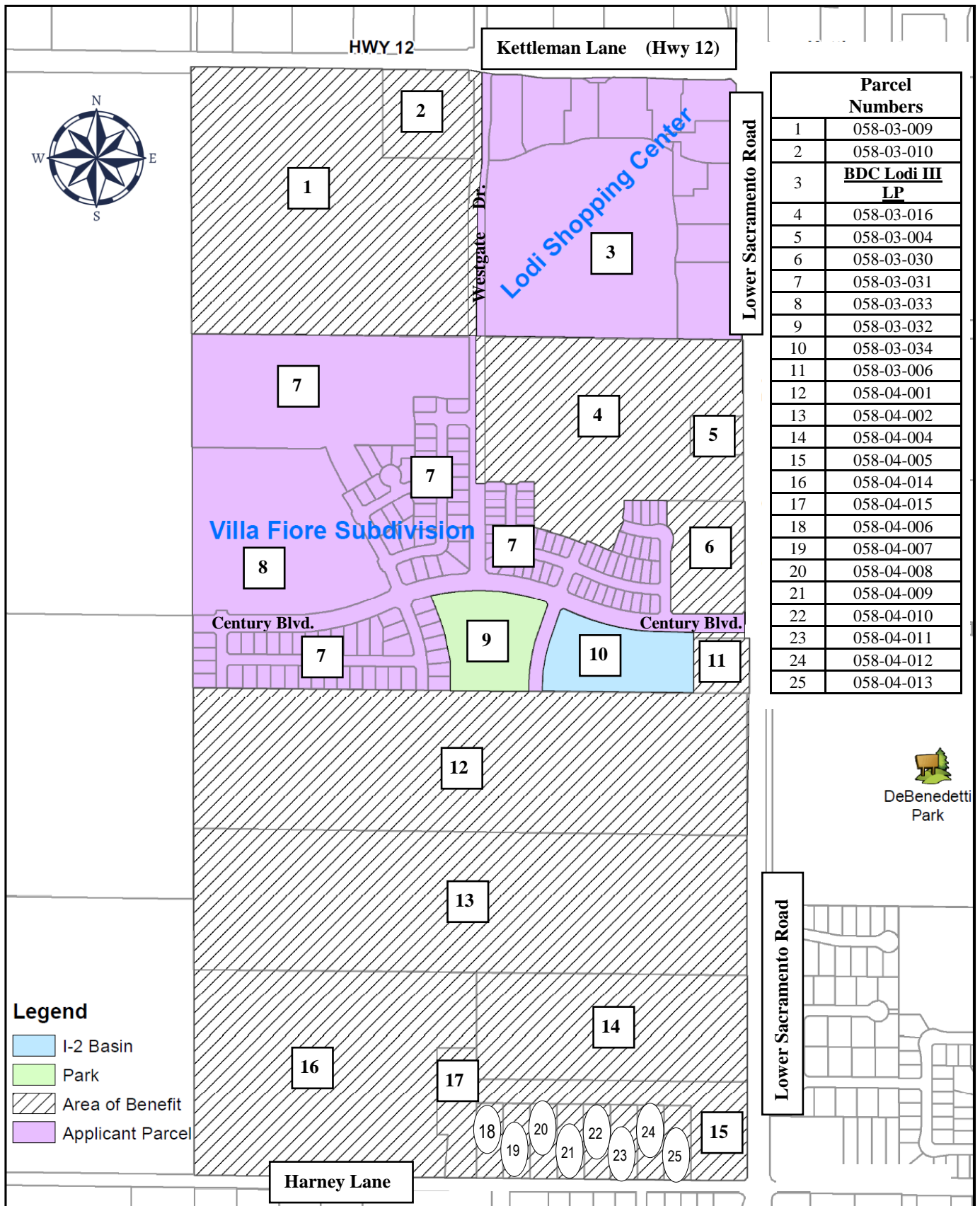


EXHIBIT A
Lodi Shopping Center Reimbursement (RA1801)
Area of Benefit Map

| Site No. | APN | Acreage | Westgate Drive | Sewer | Storm Drain | Reimbursement | | Fees | Total Reimbursement (Construction Costs + Fees) |
|----------------------|--|---------|------------------------|----------------------|------------------------|------------------------|----------------------|---|--|
| | | | Frontage Improvements | Sewer Total | SD Total | (Construction Costs) | Basin Land Cost | (Application Fee, Engineering, Plan Check Fee, Insp. Fee) | |
| 1 | 058-03-009 | 33.21 | \$ 407,934.14 | \$ 220,233.91 | \$ 537,734.69 | \$ 1,002,064.60 | \$ 163,838.14 | \$ 169,717.02 | \$ 1,335,619.77 |
| 2 | 058-03-010 | 4.07 | \$ 233,982.10 | \$ 250.14 | \$ 79,044.36 | \$ 289,193.20 | \$ 24,083.40 | \$ 48,979.89 | \$ 362,256.49 |
| 3 | BDC Lodi III (058-03-012, 058-03-019 to -029) | 32.76 | \$ 542,108.79 | \$ 245,939.74 | \$ 890,734.76 | \$ 1,407,392.34 | \$ 271,390.95 | \$ 238,366.31 | \$ 1,917,149.59 |
| 4 | 058-03-016 | 22.02 | - | \$ 373,125.84 | \$ 325,800.69 | \$ 591,432.90 | \$ 107,493.63 | \$ 100,169.42 | \$ 799,095.96 |
| 5 | 058-03-004 | 0.95 | - | - | \$ 17,037.91 | \$ 11,416.48 | \$ 5,621.43 | \$ 1,933.58 | \$ 18,971.49 |
| 6 | 058-03-030 | 5.61 | - | - | \$ 100,613.34 | \$ 67,417.30 | \$ 33,196.04 | \$ 11,418.29 | \$ 112,031.63 |
| 7 | 058-03-031 | 42.04 | - | \$ 67,848.16 | \$ 626,026.59 | \$ 487,325.55 | \$ 206,549.20 | \$ 82,537.04 | \$ 776,411.78 |
| 8 | 058-03-033 | 15.22 | | | \$ 218,372.19 | \$ 146,323.17 | \$ 72,049.02 | \$ 24,782.37 | \$ 243,154.56 |
| 9 | 058-03-032 | 5.14 | | | \$ 36,873.62 | \$ 24,707.66 | \$ 12,165.96 | \$ 4,184.67 | \$ 41,058.29 |
| 10 | 058-03-034 | 6.33 | | | \$ - | \$ - | \$ - | \$ - | \$ - |
| 11 | 058-03-006 | 1.53 | | | \$ 21,952.00 | \$ 14,709.23 | \$ 7,242.77 | \$ 2,491.26 | \$ 24,443.26 |
| 12 | 058-04-001 | 39.09 | | | \$ 147,420.25 | \$ 147,420.25 | \$ - | \$ 24,968.18 | \$ 172,388.43 |
| 13 | 058-04-002 | 39.07 | | | \$ 135,656.12 | \$ 135,656.12 | \$ - | \$ 22,975.72 | \$ 158,631.84 |
| 14 | 058-04-004 | 14.28 | | | \$ 45,774.32 | \$ 45,774.32 | \$ - | \$ 7,752.68 | \$ 53,527.00 |
| 15 | 058-04-005 | 5.41 | | | \$ 17,341.67 | \$ 17,341.67 | \$ - | \$ 2,937.11 | \$ 20,278.79 |
| 16 | 058-04-014 | 26.75 | | | \$ 83,502.88 | \$ 83,502.88 | \$ - | \$ 14,142.66 | \$ 97,645.54 |
| 17 | 058-04-015 | 2.40 | | | \$ 7,693.16 | \$ 7,693.16 | \$ - | \$ 1,302.97 | \$ 8,996.13 |
| 18 | 058-04-006 | 1.00 | | | \$ 3,205.48 | \$ 3,205.48 | \$ - | \$ 542.90 | \$ 3,748.39 |
| 19 | 058-04-007 | 1.00 | | | \$ 3,205.48 | \$ 3,205.48 | \$ - | \$ 542.90 | \$ 3,748.39 |
| 20 | 058-04-008 | 1.00 | | | \$ 3,205.48 | \$ 3,205.48 | \$ - | \$ 542.90 | \$ 3,748.39 |
| 21 | 058-04-009 | 1.00 | | | \$ 3,205.48 | \$ 3,205.48 | \$ - | \$ 542.90 | \$ 3,748.39 |
| 22 | 058-04-010 | 1.00 | | | \$ 3,205.48 | \$ 3,205.48 | \$ - | \$ 542.90 | \$ 3,748.39 |
| 23 | 058-04-011 | 1.00 | | | \$ 3,205.48 | \$ 3,205.48 | \$ - | \$ 542.90 | \$ 3,748.39 |
| 24 | 058-04-012 | 1.00 | | | \$ 3,205.48 | \$ 3,205.48 | \$ - | \$ 542.90 | \$ 3,748.39 |
| 25 | 058-04-013 | 1.00 | | | \$ 3,205.48 | \$ 3,205.48 | \$ - | \$ 542.90 | \$ 3,748.39 |
| Total: 303.88 | | | \$ 1,184,025.03 | \$ 907,397.79 | \$ 3,317,222.45 | \$ 4,505,014.72 | \$ 903,630.56 | \$ 763,002.40 | \$ 6,171,647.67 |

EXHIBIT "C"

Exhibit B

Reimbursement Agreement RA1801

Lodi Shopping Center Public Improvements Reimbursement

Summary or Area of Benefit

1/04/2019

| Site No. | APN | Acreage | Reimbursement | | Fees | Total Reimbursement (Construction Costs + Fees) |
|----------------------|------------|---------|------------------------|----------------------|---|--|
| | | | (Construction Costs) | Basin Land Cost | (Application Fee, Engineering, Plan Check Fee, Insp. Fee) | |
| 1 | 058-03-009 | 33.21 | \$ 1,002,064.60 | \$ 163,838.14 | \$ 169,717.02 | \$ 1,335,619.77 |
| 2 | 058-03-010 | 4.07 | \$ 289,193.20 | \$ 24,083.40 | \$ 48,979.89 | \$ 362,256.49 |
| 4 | 058-03-016 | 22.02 | \$ 591,432.90 | \$ 107,493.63 | \$ 100,169.42 | \$ 799,095.96 |
| 5 | 058-03-004 | 0.95 | \$ 11,416.48 | \$ 5,621.43 | \$ 1,933.58 | \$ 18,971.49 |
| 6 | 058-03-030 | 5.61 | \$ 67,417.30 | \$ 33,196.04 | \$ 11,418.29 | \$ 112,031.63 |
| 10 | 058-03-034 | 6.33 | \$ - | \$ - | \$ - | \$ - |
| 11 | 058-03-006 | 1.53 | \$ 14,709.23 | \$ 7,242.77 | \$ 2,491.26 | \$ 24,443.26 |
| 12 | 058-04-001 | 39.09 | \$ 147,420.25 | \$ - | \$ 24,968.18 | \$ 172,388.43 |
| 13 | 058-04-002 | 39.07 | \$ 135,656.12 | \$ - | \$ 22,975.72 | \$ 158,631.84 |
| 14 | 058-04-004 | 14.28 | \$ 45,774.32 | \$ - | \$ 7,752.68 | \$ 53,527.00 |
| 15 | 058-04-005 | 5.41 | \$ 17,341.67 | \$ - | \$ 2,937.11 | \$ 20,278.79 |
| 16 | 058-04-014 | 26.75 | \$ 83,502.88 | \$ - | \$ 14,142.66 | \$ 97,645.54 |
| 17 | 058-04-015 | 2.40 | \$ 7,693.16 | \$ - | \$ 1,302.97 | \$ 8,996.13 |
| 18 | 058-04-006 | 1.00 | \$ 3,205.48 | \$ - | \$ 542.90 | \$ 3,748.39 |
| 19 | 058-04-007 | 1.00 | \$ 3,205.48 | \$ - | \$ 542.90 | \$ 3,748.39 |
| 20 | 058-04-008 | 1.00 | \$ 3,205.48 | \$ - | \$ 542.90 | \$ 3,748.39 |
| 21 | 058-04-009 | 1.00 | \$ 3,205.48 | \$ - | \$ 542.90 | \$ 3,748.39 |
| 22 | 058-04-010 | 1.00 | \$ 3,205.48 | \$ - | \$ 542.90 | \$ 3,748.39 |
| 23 | 058-04-011 | 1.00 | \$ 3,205.48 | \$ - | \$ 542.90 | \$ 3,748.39 |
| 24 | 058-04-012 | 1.00 | \$ 3,205.48 | \$ - | \$ 542.90 | \$ 3,748.39 |
| 25 | 058-04-013 | 1.00 | \$ 3,205.48 | \$ - | \$ 542.90 | \$ 3,748.39 |
| Total: 208.72 | | | \$ 2,439,266.00 | \$ 341,475.43 | \$ 413,132.01 | \$ 3,193,873.44 |



CITY OF LODI

COUNCIL COMMUNICATION

TM

AGENDA TITLE: Set Public Hearing for March 20, 2019 to Consider Adopting Resolution Setting Future Water, Wastewater, and Solid Waste Rate Schedules Pursuant to Proposition 218 for Residential, Commercial, and Industrial Customers

MEETING DATE: January 16, 2019

PREPARED BY: Public Works Director

RECOMMENDED ACTION: Set public hearing for March 20, 2019 to consider adopting resolution setting future water, wastewater, and solid waste rate schedules pursuant to Proposition 218 for residential, commercial, and industrial customers.

BACKGROUND INFORMATION: In 2014, the City Council approved a five-year rate program for the water and wastewater utilities, and the solid waste franchise. The Council action complied with the Proposition 218 requirements pertaining to such actions. The action also established a water meter charge schedule that identifies the property owner's cost to purchase a water meter ranging in size from ¾-inch to eight-inch. The meter pricing is to remain unchanged until the end of the water meter program and includes installation by City forces. The last pre-approved rate adjustment under the current program for the water utility reflected a 3.0 percent increase, effective January 1, 2017, with a 2021 rate rollback upon the projected completion of the Water Meter Program; and a 2.5 percent increase for the wastewater utility, effective July 1, 2016, which was below the three percent Engineering News Record (ENR) index increase, also approved in 2014. A summary of the programmed rate adjustments and the implemented rate adjustments for the past five years is provided in the table in Exhibit A. The purpose of this table is to demonstrate past rate increases have frequently been below the approved adjustments.

In preparation of the new five-year program, Staff engaged the services of The Reed Group, Inc. to analyze the financial models and current rate structure within both utilities. The final report, Water and Wastewater Rate Update Study, is provided in Exhibit B.

Staff is recommending a new five-year rate adjustment program for water, wastewater, and solid waste that will be subject to the Proposition 218 process. As in the past, rate adjustment forecasts are based upon the financial models for each utility. The water and wastewater financial models are provided in Exhibits C and D, respectively. For both the water and wastewater utilities, the programmed adjustments are capped at three percent per year. Important elements of the financial models are presented below.

Water Financial Model

1. Financial assumptions presented on the final page were checked and reconfirmed against actual numbers.
2. Annual adjustments are capped at three percent and are indexed by the ENR 20-Cities Average Index.
3. The financial model includes the planned rate rollback to 2016 rates in accordance with Resolution 2017-23. The rate rollback will include the proposed rate increases in 2019 and 2020 and will reduce water rates by over eight percent when it takes effect on January 1, 2021.

APPROVED: _____
 Stephen Schwabauer, City Manager

4. Capital expenditures continue for the next four years of the Water Meter Program and include installation of meters at multi-family and non-residential customer locations.
5. Debt service payments for Surface Water Treatment Facility (SWTF) remain at approximately \$2.3 million per year.
6. New development revenues are planned to fund the Southwest Gateway Water Tank in Fiscal Year 2022/23, at a cost of \$2.7 million.
7. Maintenance is scheduled for multiple wells in the system, amounting to approximately \$1.2 million.

Wastewater Financial Model

1. Financial assumptions presented on the final page were checked and reconfirmed against actual numbers.
2. Annual adjustments are capped at three percent and are indexed by the ENR 20-Cities Average Index.
3. Wastewater main rehabilitation continues at an investment rate of approximately \$2.0 million every other year.
4. The 2003 Certificates of Participation debt service is paid off in the first year, amounting to approximately \$3.2 million.
5. Debt service payments for the improvements at White Slough Water Pollution Control Facility (WSWPCF) have been reduced to approximately \$3.0 million per year, due to a refinancing of the 2007 Certificates of Participation.
6. New development revenue toward payment of WSWPCF debt service is assumed modest (\$400,000 per year) to retain the utility's high bond rating.
7. Capital expenditures are planned, amounting to approximately \$17.5 million, to expand the recycled storage ponds and to reconstruct an existing electrical building and install coarse screening facilities at WSWPCF.
8. Net available capital at the end of Fiscal Year 2022/23 falls below the 50 percent reserve target, but remains above a reserve of 25 percent. Nearly all new development revenues are planned to be used to fund debt service.

Rate schedules and rates analysis information were supplied to the City Council at the January 15, 2019 Shirtsleeve Meeting. Proposition 218 protest hearing notices and explanation letters, both English and Spanish translations (Exhibit E), will be mailed 45 days prior to the proposed public hearing to consider adopting the various rate schedules for the period from March 21, 2019 through December 31, 2023. The rate schedules set maximum limits on the various water, wastewater, and solid waste rates for the next five years, and each year the City Council will be requested to approve the actual rates to be implemented. At the public hearing on March 20, 2019, the City Council will be asked to receive public comment and adopt resolutions setting future adjustments to water, wastewater, and solid waste rates **with limits** for the period between March 21, 2019 through December 31, 2023. The proposed rate program includes a temporary water shortage rate surcharge for the water utility to offset the financial impacts of mandatory water use restrictions resulting from drought conditions.

If adopted, the proposed temporary water shortage rate surcharges, as set forth herein, would be implemented when the City Council declares a water shortage emergency, necessitating mandatory water use reductions exceeding 10 percent. Water shortage rate surcharges have been designed such that customers meeting water use reduction goals will have lower water bills than their normal water bills with normal water usage. Temporary water shortage surcharges would be applied to the water usage rates (but not to monthly service charges or flat water rates) and the amount of the surcharge would vary with the magnitude of required water use reductions.

Solid Waste Rates

The existing franchise agreement (Agreement) with Central Valley Waste Services for Solid Waste Collection, Recycling and Green Waste Collection, and Processing Services in the City of

Lodi was adopted in 2008 and extends until December 31, 2023. An amendment to the Agreement was approved in 2010 that gives the Contractor the unilateral option to extend the Agreement until December 31, 2030.

The Agreement states in Section 7b that rates for solid waste collection are to be adjusted annually on April 1, of each anniversary of the Agreement. Section 7c of the Agreement was amended by Proposition 218, which was passed and authorized by City Council at the May 7, 2014 Public Hearing, and now allows Central Valley Waste Services the option to either:

- (a) adjust the rates in a percentage amount equal to 80 percent of the annual change in the Consumer Price Index (CPI) for all Urban Consumers for San Francisco-Oakland-San Jose, California Area, All Items (1982-84=100) plus an adjustment for extraordinary increases in landfill fees, fuel and energy costs, and changes in law up to 100 percent of the change in the CPI, or,*
- (b) 100 percent of the annual change in the CPI without the other adjustments but with a certification that costs had increased by more than 100 percent of the change in the CPI.*

Staff recommends Council approve annual rate adjustments in accordance with the current Agreement through December 31, 2023. Any increase greater than 100 percent of the CPI would require a separate Proposition 218 procedure and is subject to City Council approval.

A new category of solid waste rates to comply with Assembly Bill (AB) 1826 is added and titled, "Commercial Organic Collection and Processing Services." These rates will apply to businesses that have four or more yards of solid waste services. This rate schedule is provided in Exhibit F.

AB 1826 was passed in September 2014 to aid in meeting the statewide goal of diverting 75 percent of waste from the landfill by 2020. The law requires businesses, including state and local agencies with businesses that generate certain amounts of organic waste per week, to have organic waste recycling programs on or after April 1, 2016. Organic waste includes food waste, green waste, landscape and pruning waste, nonhazardous wood waste, and food-soiled paper.

AB 1826 has phased thresholds to which agencies must have a program in place to comply with the law. The City of Lodi did not have any qualifying businesses until January 1, 2019, when the threshold was reduced to where agencies must have an organic waste recycling program in place to accommodate businesses generating four or more cubic yards of solid waste per week. Currently, there are 457 commercial customers that meet the mandatory organics recycling threshold on January 1, 2019.

To prepare for implementing AB 1826 requirements, Central Valley Waste Services has purchased an organics recycling truck and the carts and bins needed for initiating service. They also provided educational materials to impacted businesses in October 2018, shared the draft organics recycling program with Cal Recycle, and is currently preparing an education program for businesses pending City approval of the rates and the program.

FISCAL IMPACT: Increased revenues are required to properly fund capital maintenance to keep up with cost of service increases and new state mandated costs.

FUNDING AVAILABLE: Not applicable.

Charles E. Swimley Jr.
Public Works Director

CES/tdb
Attachments

Exhibit A

Programmed and Implemented Rate Adjustments

Water

| Year | Programmed | Implemented |
|------|----------------------|----------------------|
| 2014 | 3.30 ⁽¹⁾ | 2.5 ⁽²⁾ |
| 2015 | 2.00 ⁽¹⁾ | 2.00 ⁽²⁾ |
| 2016 | 1.975 ⁽¹⁾ | 1.975 ⁽²⁾ |
| 2017 | 3.36 ⁽¹⁾ | 3.00 ⁽²⁾ |
| 2018 | 3.98 ⁽¹⁾ | 0 |

(1) Engineering News Record Index Change

(2) Recommended by Staff

Programmed and Implemented Rate Adjustments

Wastewater

| Year | Programmed | Implemented |
|------|---------------------|---------------------|
| 2014 | 2.6 ⁽¹⁾ | 2.50 ⁽²⁾ |
| 2015 | 2.80 ⁽¹⁾ | 2.50 ⁽²⁾ |
| 2016 | 2.70 ⁽¹⁾ | 2.50 ⁽²⁾ |
| 2017 | 3.00 | 0 |
| 2018 | 3.00 | 0 |

(1) Engineering News Record Index Change

(2) Recommended by Staff

CITY OF LODI

Water and Wastewater Rate Study

Draft Report

January 3, 2019



THE REED GROUP, INC.

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SECTION I. EXECUTIVE SUMMARY

INTRODUCTION AND BACKGROUND

The City of Lodi retained The Reed Group, Inc. to prepare new ten-year water and wastewater system financial plans and to update the water and wastewater rates for the City's two utilities. The purpose of the study was to ensure that water and wastewater rates are sufficient to meet each utility's financial and service obligations for ongoing operation and maintenance, debt service, and capital improvements while maintaining prudent reserves. The last adjustment to the water rates occurred in 2017, and wastewater rates were last adjusted in 2016.

The scope of services for the water and wastewater rate study included the following:

- Review financial goals and policy objectives related to the water and wastewater utilities
- Review the current budgets, existing debt obligations, and capital improvement plans
- Prepare ten-year financial plans and determine annual water and wastewater rate revenue requirements for the utilities
- Review the current water and wastewater rate structures, as well as the continuing transition from flat rates to metered rates
- Verify that water and wastewater rate recommendations meet the legal requirements for cost of service, and prepare multi-year rate plans to meet the anticipated revenue needs of each utility for up to five years
- Evaluate the potential financial implications of water shortages, develop a water shortage strategy to mitigate financial deficits created by shortage conditions, and propose temporary water shortage rate surcharges as part of the strategy
- Present draft study findings and recommendations to the City Council during a shirtsleeve meeting
- Prepare a water and wastewater rate study report (this report) to document the analyses performed during the study
- Present study recommendations to the City Council during a regular meeting, and assist the City in preparing a notice of public hearing regarding the proposed water and wastewater rates
- Present final water and wastewater rate recommendations during a public hearing to adopt new rates.

The purpose of this report is to describe the analyses performed, present the financial plans for the utilities, provide the basis and rationale for rate adjustments, and summarize findings and recommendations regarding the water and wastewater rates.

FINANCIAL PLANS AND REVENUE NEEDS

Since 2012, the City has worked diligently to limit annual water and wastewater rate adjustments to be less than or equal to the rate of annual inflation. In addition, in anticipation of the completion of the water meter retrofit program, in 2017 the City Council approved a reduction of water rates in January 2021 to the levels that existing in 2016. While the meter retrofit program will continue until about 2023, the rate rollback is still planned.

Maintaining the very limited increases in water and wastewater rates has been challenging for the City for multiple reasons. First, the conversion of customers from flat water rates to metered rates has resulted in a greater reduction in water demand than had been previously anticipated. Second, the statewide drought from a few years ago also contributed to reduced water sales and a decline in anticipated revenues. In addition, water demand has not rebounded to pre-drought levels thereby continuing to limit revenues. Third, growth in operating costs and capital program needs continue to apply financial pressure on the utilities. And fourth, the transition to metered billing is creating additional revenue volatility for both the water and wastewater utilities thereby increasing the need for maintaining prudent financial reserves. Constant pressure to keep water and wastewater rates low can result in a chronic underfunding of infrastructure rehabilitation and upgrade needs and create unnecessary financial risk. This water and wastewater rate study has focused on working to maintain limited increases to the City's water and wastewater rates while also limiting financial risk. Input from the City's Public Works staff has been instrumental in achieving these results.

At present, the City's water utility generates sufficient revenue to meet ongoing operation and maintenance costs and debt service obligations, as well as most capital improvement needs. However, in years with high capital program expenditures the water utility can experience significant reductions in the level of financial reserves. While previous financial planning and rate studies have recommended a 25 percent Operating Reserve for the water utility, the continuing transition to metered billing and the significant variability of the annual capital program expenditures suggests the need to increase the target for the Operating Reserve.

At present the City's wastewater utility also generates sufficient revenue to meet ongoing operation and maintenance costs and debt service obligations, as well as most capital improvement needs. And, like the water utility, in years with high capital program expenditures the wastewater utility experiences significant reductions in the level of financial reserves. While previous financial planning and rate studies recommended a 25 percent Operating Reserve for the wastewater utility, the continue transition to metered billing and the significant variability annual capital program expenditures suggests the need to increase the target for the Operating Reserve.

In addition to meeting the financial needs of the utilities with respect to operating and maintenance costs, debt service obligations, and capital program needs, it is recommended that the City increase the target for a prudent financial Operating Reserve from 25 percent of annual operating and maintenance costs, including debt service, to 50 percent of these annual costs. This change is indicated due to the increased revenue volatility associated with metered rates and billing, as well as the variable costs associated with water and wastewater

capital improvement programs. Reaching and maintaining the higher reserve levels cannot be achieved immediately but can be met by the end of the 10-year planning period.

In light of the current and estimated future financial needs of the water and wastewater utilities, it is recommended that the City continue to annually adjust its water and wastewater rates to: (1) ensure continued financial support for ongoing operation and maintenance costs, including debt repayment, (2) provide adequate funding for the water and wastewater capital improvement programs, and (3) by the end of the planning period establish and then maintain increased Operating Reserves of at least 50 percent of annual operating and maintenance costs, including debt service.

In addition to adjusting the overall level of water and wastewater rates to meet current and estimated future revenue needs, it is recommended that the City adopt temporary water shortage surcharges, which would be implemented in the event of a future drought or other water supply shortage. These surcharges would only be implemented when water use restrictions are necessary and mandated by the City Council. The temporary surcharges, as presented herein, will also help to reduce financial risk for the benefit of both the City's water utility and customers.

The water and wastewater financial plan models reflect information, assumptions, and estimates that are believed reasonable at the present time. However, conditions change. It is recommended that the City review the financial condition of the water and wastewater utilities annually as part of the budget process and perform a more comprehensive financial plan and rate update study every 3 to 5 years, unless otherwise needed sooner. The financial analyses presented in this report indicate that the revenues generated by the current and proposed water and wastewater rates would not exceed the cost of providing service, including maintaining prudent reserves for specified purposes.

Details of financial plan analyses, determination of the annual water and wastewater rate revenue requirements, and analysis supporting drought-related temporary water shortage surcharges are presented in Section II of this report.

PROPOSED WATER AND WASTEWATER RATES

Exhibits I-1 and I-2 present the proposed water and wastewater rate schedules, respectively, each spanning a five-year period. It is recommended that the initial water rate adjustments be implemented effective in April 2019, with subsequent adjustments implemented each January, from 2020 through 2023. It is recommended that the initial wastewater rate adjustments be implemented effective in July 2019, with subsequent adjustments implemented each July, from 2020 through 2023.

No changes to the water or wastewater rate structures are proposed at the present time. A cursory review of both structures indicates that they continue to generally function as intended and reflect a proportionate allocation of costs to each customer consistent with legal requirements. In addition, the City Council's decision to roll back water rates to the schedule that existed in 2016 would be complicated by any rate structure change at the present time. Also, the City is still in the midst of its transition from flat rates to metered rates. It is recommended that once all water meters are installed the City then undertake a comprehensive cost of service study and consider rate structure refinements at that point in time.

| Exhibit I-1 City of Lodi Current and Proposed Maximum Water Rate Schedules | | | | | | | | |
|--|-------------|---------------|---------------|---------------|---------------|---------------|--|--|
| | Current (1) | Apr. 2019 (2) | Jan. 2020 (3) | Jan. 2021 (1) | Jan. 2022 (3) | Jan. 2023 (3) | | |
| Rate Adjustment --> | | 2.9% | 3.0% | -8.4% | 3.0% | 3.0% | | |
| Monthly Flat Water Rates (Unmetered) | | | | | | | | |
| Single Family Residential | | | | | | | | |
| 1 bedroom | \$ 32.84 | \$ 33.79 | \$ 34.80 | \$ 31.88 | \$ 32.84 | \$ 33.83 | | |
| 2 bedroom | \$ 39.44 | \$ 40.58 | \$ 41.80 | \$ 38.29 | \$ 39.44 | \$ 40.62 | | |
| 3 bedroom | \$ 47.27 | \$ 48.64 | \$ 50.10 | \$ 45.89 | \$ 47.27 | \$ 48.69 | | |
| 4 bedroom | \$ 56.79 | \$ 58.44 | \$ 60.19 | \$ 55.14 | \$ 56.79 | \$ 58.49 | | |
| 5 bedroom | \$ 68.11 | \$ 70.09 | \$ 72.19 | \$ 66.13 | \$ 68.11 | \$ 70.15 | | |
| Multi-Family Units | | | | | | | | |
| 1 bedroom | \$ 28.19 | \$ 29.01 | \$ 29.88 | \$ 27.37 | \$ 28.19 | \$ 29.04 | | |
| 2 bedroom | \$ 33.81 | \$ 34.79 | \$ 35.83 | \$ 32.82 | \$ 33.80 | \$ 34.81 | | |
| 3 bedroom | \$ 40.58 | \$ 41.76 | \$ 43.01 | \$ 39.40 | \$ 40.58 | \$ 41.80 | | |
| 4 bedroom | \$ 48.68 | \$ 50.09 | \$ 51.59 | \$ 47.26 | \$ 48.68 | \$ 50.14 | | |
| Non-Residential | | | | | | | | |
| Per ESFU | \$ 39.44 | \$ 40.58 | \$ 41.80 | \$ 38.29 | \$ 39.44 | \$ 40.62 | | |
| Monthly Service Charges (Metered) | | | | | | | | |
| Up to 3/4" meter | \$ 21.87 | \$ 22.50 | \$ 23.18 | \$ 21.23 | \$ 21.87 | \$ 22.53 | | |
| 1" meter | \$ 34.34 | \$ 35.34 | \$ 36.40 | \$ 33.34 | \$ 34.34 | \$ 35.37 | | |
| 1 1/2" meter | \$ 65.25 | \$ 67.14 | \$ 69.15 | \$ 63.34 | \$ 65.24 | \$ 67.20 | | |
| 2" meter | \$ 102.52 | \$ 105.49 | \$ 108.65 | \$ 99.53 | \$ 102.52 | \$ 105.60 | | |
| 3" meter | \$ 189.50 | \$ 195.00 | \$ 200.85 | \$ 183.98 | \$ 189.50 | \$ 195.19 | | |
| 4" meter | \$ 313.73 | \$ 322.83 | \$ 332.51 | \$ 304.59 | \$ 313.73 | \$ 323.14 | | |
| 6" meter | \$ 624.03 | \$ 642.13 | \$ 661.39 | \$ 605.85 | \$ 624.03 | \$ 642.75 | | |
| 8" meter | \$ 996.55 | \$ 1,025.45 | \$ 1,056.21 | \$ 967.52 | \$ 996.55 | \$ 1,026.45 | | |
| 10" meter | \$ 1,431.26 | \$ 1,472.77 | \$ 1,516.95 | \$ 1,389.57 | \$ 1,431.26 | \$ 1,474.20 | | |
| Water Usage Rates (Metered) -- \$/CCF | | | | | | | | |
| Single Family Residential | | | | | | | | |
| Tier 1 (0-10 CCF) | \$ 0.97 | \$ 1.00 | \$ 1.03 | \$ 0.94 | \$ 0.97 | \$ 1.00 | | |
| Tier 2 (11-50 CCF) | \$ 1.29 | \$ 1.33 | \$ 1.37 | \$ 1.25 | \$ 1.29 | \$ 1.33 | | |
| Tier 3 (> 50 CCF) | \$ 1.60 | \$ 1.65 | \$ 1.70 | \$ 1.56 | \$ 1.61 | \$ 1.66 | | |
| Multi-Family | \$ 1.15 | \$ 1.18 | \$ 1.22 | \$ 1.12 | \$ 1.15 | \$ 1.18 | | |
| Non-Residential | \$ 1.15 | \$ 1.18 | \$ 1.22 | \$ 1.12 | \$ 1.15 | \$ 1.18 | | |
| Notes: | | | | | | | | |
| (1) Water rates were last adjusted in 2017 based on Resolution 2017-23, which includes a rate rollback in January 2021 to the water rates that were in effect in 2016. | | | | | | | | |
| (2) Annual change in ENR 20-Cities Construction Cost Index for 2018 (based on Dec. 2017 to Dec. 2018). | | | | | | | | |
| (3) Estimated adjustments based on the annual change in the ENR index each September 30, subject to 3.0% cap. | | | | | | | | |

Proposed water rates continue to include flat rates for unmetered customers and fixed monthly service charges based on the size of the water meter, a three-tier water usage rate structure for single family residential customers, and a uniform water usage rate for multi-family, non-residential accounts with water meters.

| Exhibit I-2 City of Lodi Current and Proposed Maximum Wastewater Rate Schedules | | | | | | | | |
|--|-------------|---------------|---------------|---------------|---------------|---------------|--|--|
| | Current (1) | Jul. 2019 (2) | Jul. 2020 (3) | Jul. 2021 (3) | Jul. 2022 (3) | Jul. 2023 (3) | | |
| Rate Adjustments --> | | 2.9% | 3.0% | 3.0% | 3.0% | 3.0% | | |
| Monthly Flat Water Rates (Unmetered) | | | | | | | | |
| Single Family and Multi-Family Residential Dwelling Units | | | | | | | | |
| 1 bedroom | \$ 27.90 | \$ 28.71 | \$ 29.57 | \$ 30.46 | \$ 31.37 | \$ 32.31 | | |
| 2 bedroom | \$ 37.20 | \$ 38.28 | \$ 39.43 | \$ 40.61 | \$ 41.83 | \$ 43.08 | | |
| 3 bedroom | \$ 46.49 | \$ 47.84 | \$ 49.28 | \$ 50.76 | \$ 52.28 | \$ 53.85 | | |
| 4 bedroom | \$ 55.79 | \$ 57.41 | \$ 59.13 | \$ 60.90 | \$ 62.73 | \$ 64.61 | | |
| 5 bedroom | \$ 65.09 | \$ 66.98 | \$ 68.99 | \$ 71.06 | \$ 73.19 | \$ 75.39 | | |
| Mobile Homes | | | | | | | | |
| Any Size | \$ 27.90 | \$ 28.71 | \$ 29.57 | \$ 30.46 | \$ 31.37 | \$ 32.31 | | |
| Schools | | | | | | | | |
| Per SSU (18 students = 1 SSU) | \$ 27.90 | \$ 28.71 | \$ 29.57 | \$ 30.46 | \$ 31.37 | \$ 32.31 | | |
| Non-Residential | | | | | | | | |
| Per SFU | \$ 37.20 | \$ 38.28 | \$ 39.43 | \$ 40.61 | \$ 41.83 | \$ 43.08 | | |
| Monthly Service Charges (Metered) | | | | | | | | |
| Up to 3/4" meter | \$ 25.40 | \$ 26.14 | \$ 26.92 | \$ 27.73 | \$ 28.56 | \$ 29.42 | | |
| 1" meter | \$ 40.92 | \$ 42.11 | \$ 43.37 | \$ 44.67 | \$ 46.01 | \$ 47.39 | | |
| 1 1/2" meter | \$ 79.06 | \$ 81.35 | \$ 83.79 | \$ 86.30 | \$ 88.89 | \$ 91.56 | | |
| 2" meter | \$ 124.33 | \$ 127.94 | \$ 131.78 | \$ 135.73 | \$ 139.80 | \$ 143.99 | | |
| 3" meter | \$ 232.29 | \$ 239.03 | \$ 246.20 | \$ 253.59 | \$ 261.20 | \$ 269.04 | | |
| 4" meter | \$ 385.52 | \$ 396.70 | \$ 408.60 | \$ 420.86 | \$ 433.49 | \$ 446.49 | | |
| 6" meter | \$ 768.28 | \$ 790.56 | \$ 814.28 | \$ 838.71 | \$ 863.87 | \$ 889.79 | | |
| 8" meter | \$ 1,227.76 | \$ 1,263.37 | \$ 1,301.27 | \$ 1,340.31 | \$ 1,380.52 | \$ 1,421.94 | | |
| Wastewater Usage Rates (Metered) | | | | | | | | |
| All Customers, Except High Strength | | | | | | | | |
| Usage Rate (\$/CCF of water use) | \$ 2.89 | \$ 2.97 | \$ 3.06 | \$ 3.15 | \$ 3.24 | \$ 3.34 | | |
| High Strength Users | | | | | | | | |
| Flow (per MG annually) | \$ 3,730.00 | \$ 3,838.17 | \$ 3,953.32 | \$ 4,071.92 | \$ 4,194.08 | \$ 4,319.90 | | |
| BOD (per 1,000 lbs annually) | \$ 616.00 | \$ 633.86 | \$ 652.88 | \$ 672.47 | \$ 692.64 | \$ 713.42 | | |
| SS (per 1,000 lbs annually) | \$ 385.00 | \$ 396.17 | \$ 408.06 | \$ 420.30 | \$ 432.91 | \$ 445.90 | | |
| Notes: | | | | | | | | |
| (1) Wastewater rates were last adjusted in 2016 based on Resolution 2016-109. | | | | | | | | |
| (2) Annual change in ENR 20-Cities Construction Cost Index for 2018 (based on Dec. 2017 to Dec. 2018). | | | | | | | | |
| (3) Estimated adjustments based on the annual change in the ENR index each April 30, subject to 3.0% cap. | | | | | | | | |

Proposed wastewater rates continue to include flat rates for unmetered customers and fixed monthly service charges based on the size of the water meter and a uniform wastewater usage rate for single family, multi-family, and non-residential accounts with water meters. High strength accounts will continue to be subject to sewer service charges based on wastewater flow as well as loading characteristics of their wastewater.

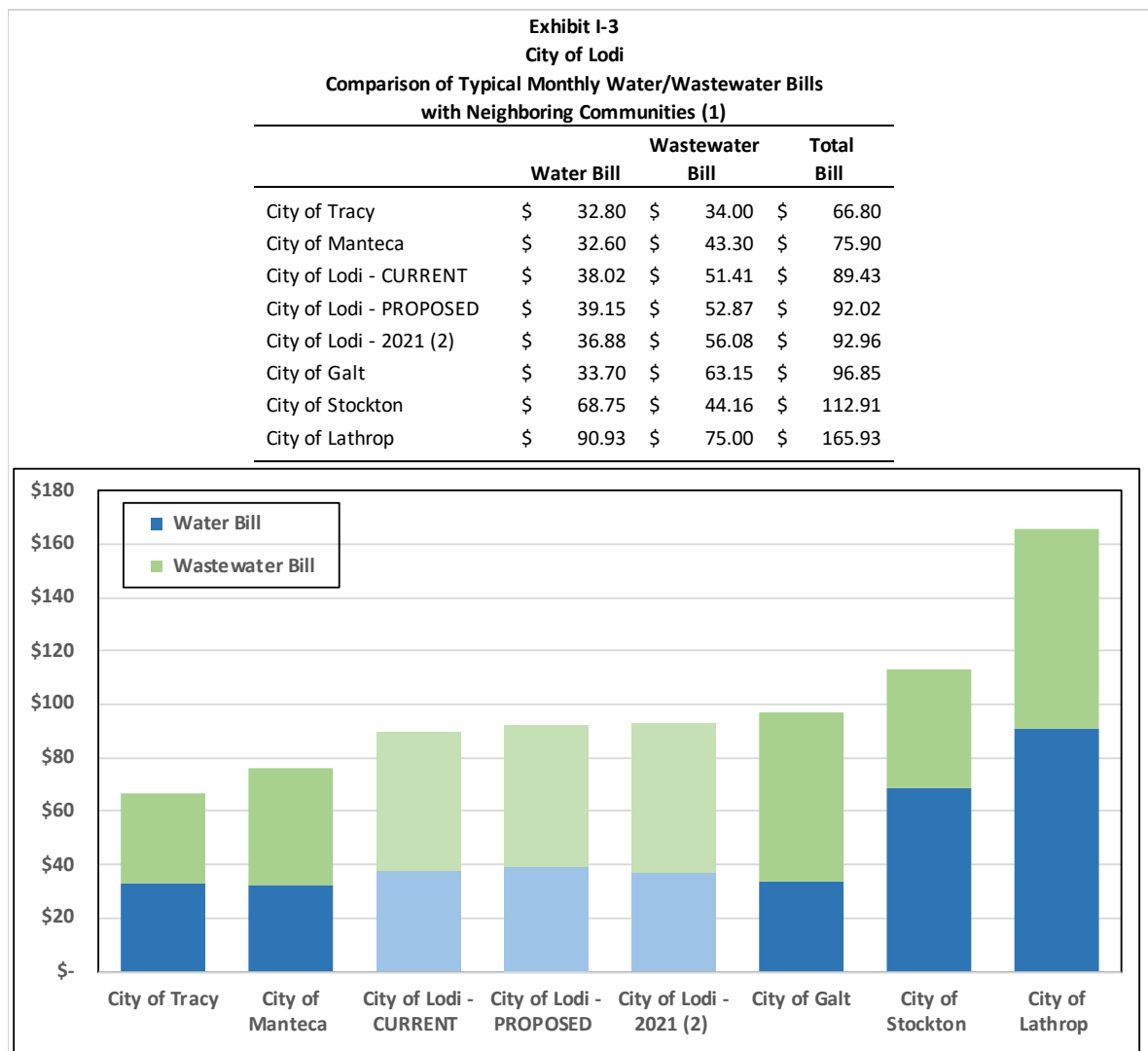
Additional information on the current water and wastewater rate structures and proposed schedules for the next five years are presented in Section III of this report.

The combined effect of proposed water and wastewater rate changes for 2019 is an estimated increase in the typical metered monthly single family water and wastewater bill

from \$89.43 to \$92.02, for an increase of \$2.59 or 2.9 percent. Because both water and wastewater rates are proposed to increase by 2.9 percent and no rate structure changes are proposed, all combined water and wastewater bills will increase by 2.9 percent, all other factors remaining equal.

COMPARISON OF PROPOSED RATES WITH NEIGHBORING COMMUNITIES

A typical monthly water and wastewater bill for single family residential customers with metered rates in Lodi is currently and will continue to be *lower* than bills for comparable customers in most neighboring communities. Typical bills for a metered single family customer in Lodi is compared with water and wastewater bills, based on current rates in neighboring communities in **Exhibit I-3**.



Notes:

- (1) Based on metered water rates with 15 CCF of average monthly water usage and 9 CCF of monthly winter water usage (for wastewater bill calculations), and a 3/4" residential meter.
- (2) Includes rollback of water rates to 2016 schedule previously approved by the City Council.

WATER SHORTAGE FINANCIAL ANALYSIS AND WATER SHORTAGE SURCHARGES

The water and wastewater rate study also included an analysis of the financial impacts associated with drought and reduced water sales. As drought conditions worsened in 2015, the Governor declared a statewide water emergency and ordered urban water agencies to reduce water use by 25 percent. In implementing the Governor's Executive Order, the SWRCB required the City of Lodi to reduce water use by 20 percent relative to 2013 water use. The City, like other communities in the state, responded by requiring customers to reduce water usage and implementing restrictions on water use.

The City, the region, and the State recently emerged from the multi-year drought. However, the City is concerned about potential financial vulnerability in the event of a future drought, especially a multi-year drought. The financial analyses in this report support the development of temporary water shortage rate surcharges that would be implemented during periods of mandatory water use reductions, as declared by the City Council.

Water shortage conditions can result in (1) reduced water sales, (2) reduced water supply purchase and pumping costs, (3) increased groundwater production costs¹, and (4) increased water conservation education and assistance costs. The net effect of these impacts can create a financial deficit during periods of water shortage (i.e., revenue will decline more than the decline in expenses).

To counter the financial impact of water shortage, a multi-prong strategy is proposed that includes (1) utilizing a portion of available operating reserves to offset the financial deficit created by reduced water sales, and (2) adopting and implementing temporary water shortage rate surcharges to generate supplemental revenue when mandatory use restrictions are necessary, and (3) in the most severe conditions defer capital program expenditures to preserve cash. This strategy, including the temporary water shortage rate surcharges, should be incorporated into the City's water shortage contingency plans.

Proposed temporary water shortage rate surcharges would be implemented whenever the City Council declares a water shortage emergency requiring mandatory water use reductions. The temporary water shortage rate surcharges would be applied to water usage rates (but not to monthly service charges or flat water rates). The temporary surcharges would mean that **both the water utility's water system reserves and customers would bear a proportionate share of the financial burden created by water shortage**. The water shortage rate surcharges have been designed such that customers meeting water use reduction goals will have lower water bills than their normal water bills. Customers that do not meet water use reduction goals may have higher water bills, as illustrated in Exhibit III-5 in Section III of this report.

Exhibit I-4 presents the proposed temporary water shortage rate surcharges, expressed as a percentage increase to the normal water usage rates. The amount of increase depends on the level of water use reduction goals. It is expressed as a percentage so that it can be applied to any future water usage rate schedule. The specific rates shown in Exhibit I-4 are an application of the temporary water shortage surcharge percentages to the water rates

¹ The City has the ability to shift its water supply mix to increase reliance on groundwater during periods of shortage. This helps the City meet water supply needs.

proposed for April 2019. As an example, with a water use reduction goal of up to 20 percent (Minor Shortage), a 5 percent water shortage rate surcharge would temporarily increase the Tier 1 residential water usage rate from \$1.00 per CCF to \$1.05 per CCF (a surcharge of \$0.05 per CCF). Monthly service charges and flat rates for unmetered customers would be unaffected by the imposition of the temporary water shortage surcharges.

Details of the water shortage financial analysis are presented in Section II of this report and proposed temporary water shortage surcharges are presented in Section III of this report. That section also includes information on how customers' bills would be affected by the proposed surcharges, both for customers meeting water use reduction goals, as well as those that do not.

| Exhibit I-4 City of Lodi Proposed Temporary Water Shortage Rate Surcharges | | | | | | | | | |
|---|--------------------------------|--------------------------------------|----------------------------------|-------------------------------------|-----------------------------------|-------------------------------------|--|--|--|
| | Normal Supply Conditions | Potential Shortage (Voluntary) | Minor Shortage (Mandatory) | Moderate Shortage (Mandatory) | Severe Shortage (Mandatory) | Critical Shortage (Mandatory) | | | |
| Use Reduction Goal --> | None | 5% to 10% | 10% to 20% | 20% to 30% | 30% to 50% | > 50% | | | |
| Temp. Water Shortage Surcharge (2) | None | None | 5% | 10% | 15% | 20% | | | |
| Monthly Service Charges | | | | | | | | | |
| Up to 3/4" meter | \$ 22.50 | | | | | | | | |
| 1" meter | \$ 35.34 | | | | | | | | |
| 1 1/2" meter | \$ 67.14 | | | | | | | | |
| 2" meter | \$ 105.49 | | | | | | | | |
| 3" meter | \$ 195.00 | | | | | | | | |
| 4" meter | \$ 322.83 | | | | | | | | |
| 6" meter | \$ 642.13 | | | | | | | | |
| 8" meter | \$ 1,025.45 | | | | | | | | |
| 10" meter | \$ 1,472.77 | | | | | | | | |
| Water Usage Rates (\$/CCF) (3) | | | | | | | | | |
| Single Family Residential | | | | | | | | | |
| Tier 1 (0-10 CCF) | \$ 1.00 | \$ 1.00 | \$ 1.05 | \$ 1.10 | \$ 1.15 | \$ 1.20 | | | |
| Tier 2 (11-50 CCF) | \$ 1.33 | \$ 1.33 | \$ 1.40 | \$ 1.46 | \$ 1.53 | \$ 1.60 | | | |
| Tier 3 (> 50 CCF) | \$ 1.65 | \$ 1.65 | \$ 1.73 | \$ 1.82 | \$ 1.90 | \$ 1.98 | | | |
| Multi-Family | \$ 1.18 | \$ 1.18 | \$ 1.24 | \$ 1.30 | \$ 1.36 | \$ 1.42 | | | |
| Non-Residential | \$ 1.18 | \$ 1.18 | \$ 1.24 | \$ 1.30 | \$ 1.36 | \$ 1.42 | | | |
| Notes: | | | | | | | | | |
| (1) The temporary water shortage rate surcharge percentages are shown applied to the proposed water usage rates for April 2019 for illustrative purposes. The percentages would be applied to any then-current water usage rates when implemented by declaration of a water shortage by the City Council. | | | | | | | | | |
| (2) The temporary water shortage rate surcharge would be an incremental (percentage) increase in the water usage rates, but would not be applied to monthly service charges or to any flat water rates for unmetered customers. | | | | | | | | | |
| (3) The water usage rates shown for Minor through Critical shortage conditions incorporate the temporary water shortage rate surcharges. | | | | | | | | | |

ADOPTING PROPOSED WATER AND WASTEWATER RATES

In order to adopt the proposed multi-year water and wastewater rate plans, as well as the proposed water shortage rate surcharges the City will need to follow the requirements contained in Article XIII D of the California Constitution (Proposition 218). This includes a Notice of Public Hearing to be mailed to all affected property owners and customers at least 45 days prior to a public hearing. It is recommended that the City combine the adoption of the water and wastewater multi-year rate plans and the temporary water shortage rate surcharges into a single public notice and rate hearing process. This will save the City both time and expenses.

SECTION II. WATER AND WASTEWATER FINANCIAL PLANS

This section of the report describes the financial plans and related recommendations for the City's water and wastewater utilities. The ten-year financial plans are used to determine annual water and wastewater rate revenue requirements. The annual rate revenue requirement is the amount of revenue needed from water or wastewater rates to cover planned operating, maintenance, debt service, and capital program costs with consideration of other revenues and financial reserves.

FUND STRUCTURE AND CASH FLOWS

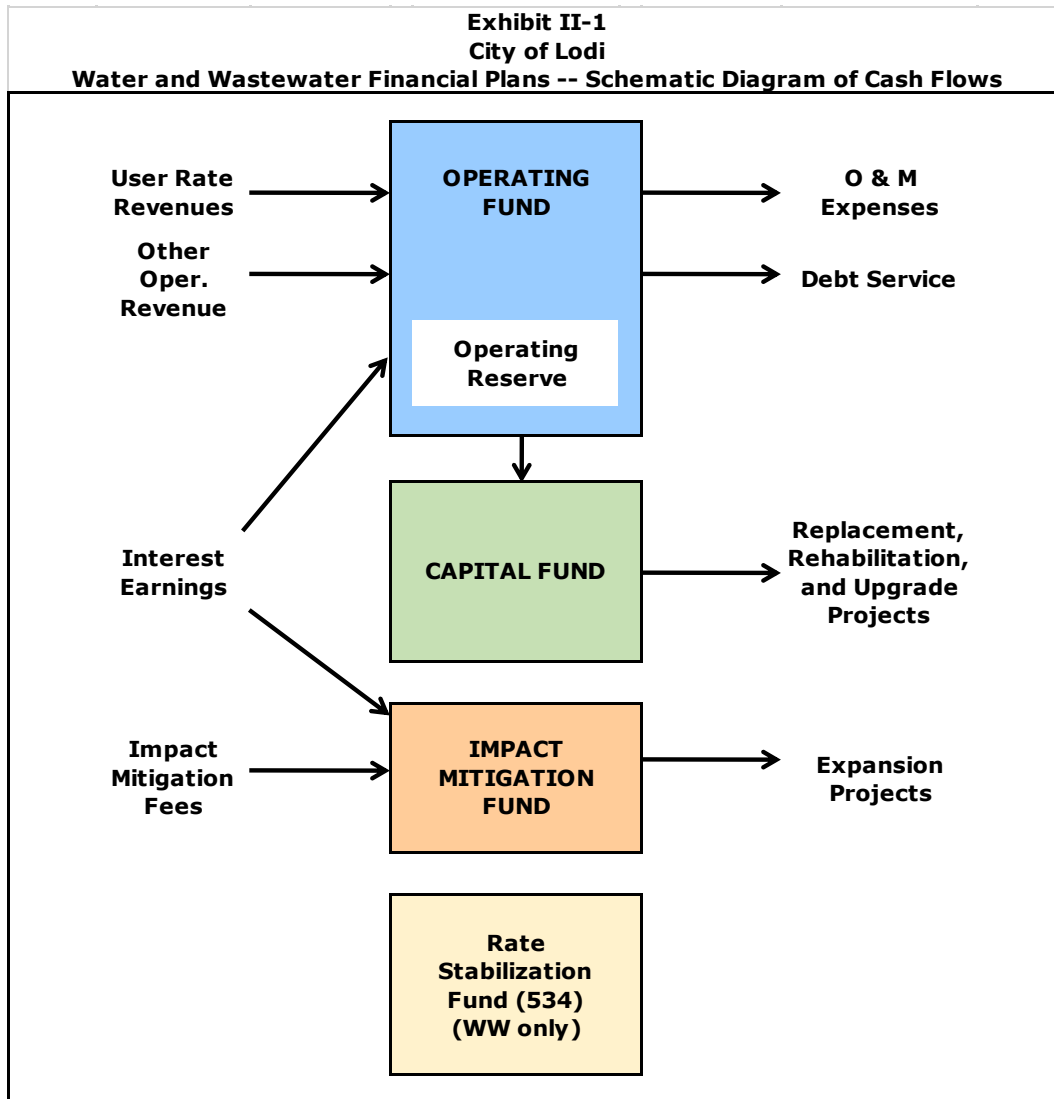
The financial plans are annual cash flow models and represent updated versions of the financial plan models that the City has successfully utilized for the past ten years. As a cash flow model, it differs from standard accounting income statements, and balance sheets. The financial plans model sources and uses of funds into, out of, and between the various funds and reserves of both the water and wastewater utilities.

The financial plan models are based on the fund structures currently used by the City and incorporate proposed reserve policies for specified purposes. This structure was discussed with staff, with concurrence that it provides a helpful framework for evaluating the financial needs of each utility and for clearly demonstrating how operating and maintenance costs, debt service obligations, and capital program needs are addressed. The proposed reserve structure includes an Operating Reserve within each of the Operating Funds (Funds 560 and 530), as well as Capital Funds (Fund 561 and 531) for the purpose of meeting water and wastewater system capital improvement needs of the capital program and Impact Mitigation Fee Funds (Fund 562 and 533/535) that account for revenue associated with new development and capital projects needed to provide capacity for that development. **Exhibit II-1** includes schematic diagrams of the funds/reserves and major cash flows associated with the two financial plan models.

An understanding of the fund/reserve structure is helpful in understanding the financial plan worksheets that model estimated annual cash flows through the water and wastewater utility from one year to the next. The fund/reserve structure is comprised of:

- ***Water and Wastewater Operating Funds (560 and 530)*** – The Operating Fund is the primary fund within each utility. Most of the water/wastewater system's revenues, including user rate revenues, flow into the Operating Fund and all operating and maintenance costs, including debt service payments, are paid out of this fund. Funds are also transferred from the Operating Fund to the Capital Fund to pay for capital projects of the capital improvement program on a pay-as-you-go basis.
 - *Operating Reserves* – Previous financial plans included a 25 percent Operating Reserve. It is recommended that the City establish and maintain Water and Wastewater Operating Reserves equal to 50 percent of annual operating and maintenance costs, including debt service, for both of the utilities. The purpose of the Operating Reserve is to provide working capital and funds for unplanned operating and maintenance expenditures or unplanned reductions in revenue. The balance in the

Water Operating Fund at the end of FY 17-18 was about \$3,749,000, or about \$1,265,000 below the recommended 50 percent target Operating Reserve. The balance in the Wastewater Operating Fund at the end of FY 17-18 was about \$15,310,000, or about \$9,317,000 above the 50 percent target Operating Reserve.



- *Available Balance* – The balance in the Operating Fund in excess of the 50 percent target amount for the Operating Reserve is shown in the financial plan as Available Balance. After all other obligations are met the Available Balance is used to offset rate increases. The financial plan models generally seek to reduce any Available Balance over time. A negative value for the Available Fund Balance indicates shortfalls in maintaining the recommended minimum 50 percent Operating Reserve. The high Available Balance in the Wastewater Operating Fund is not excessive, but necessary to meet future capital program needs of the utility.

- ***Water and Wastewater Capital Funds (561 and 531)*** – The Capital Fund is used to account for revenues and funds available for capital project expenditures related to replacement, rehabilitation, and upgrade projects. Transfers from the Operating Fund provide funds intended for these capital project purposes. The financial plan models generally seek to maintain a zero or positive balance in the Capital Funds while also covering the costs of planned capital improvement projects. This is achieved through annual transfers of funds from the Operating Fund to the Capital Fund of each utility.
- ***Water and Wastewater Impact Mitigation Fee Funds (562 and 533/535)*** – The Impact Mitigation Fee Funds are used to account for revenues and funds available for capital project expenditures that provide new capacity to the water and wastewater systems. Impact mitigation fees, paid by new development, are available to improve system capacity and help meet the capacity needs of new development. The wastewater utility maintains separate Impact Mitigation Funds for wastewater and stormwater project purposes. A portion of wastewater impact mitigation fee revenues is transferred from the Wastewater Impact Mitigation Fee Fund to the Wastewater Operating Fund to help pay debt service. This is consistent with the wastewater impact mitigation fee methodology and the intended use of fee revenue.
- ***Wastewater Rate Stabilization Fund (534)*** – The wastewater utility also maintains a Rate Stabilization Fund consistent with debt covenants. The Rate Stabilization Fund currently maintains a balance of \$500,000. It is available to assist with meeting debt service coverage requirements, if necessary. Since its inception, this fund has never been utilized.

FINANCIAL PLAN ASSUMPTIONS

The water and wastewater financial plans reflect the city's FY 18-19 budget and financial conditions as of the beginning of the fiscal year. The financial plans also reflect the City's debt service obligations and capital improvement programs, as identified by City staff, during the planning period that extends through FY 29-30. The financial plans are based on the best available information and reasonable assumptions; future estimates have been reviewed with staff and are believed to be reasonable.

- ***Inflation Rates*** – The financial plan analyses include general inflation at 3.0 percent per year. The general inflation rate applies to all operating and maintenance costs except water purchases from the Woodbridge Irrigation District, which increases at 2.0 percent per year. Capital project costs are escalated at 3.0 percent per year to the year of construction. These inflation assumptions have been reviewed with City staff and are reasonable for financial planning purposes.
- ***Interest Rates*** – Interest earned on fund/reserve balances is estimated to be 3.0 percent per year, which is consistent with the current interest earnings of money invested with the Local Agency Investment Fund (LAIF). Interest calculations are based on beginning-of-year balances. The City also pays interest on outstanding long-term debt obligations. The interest payments on outstanding debt are those contained in existing contracts and repayment schedules.

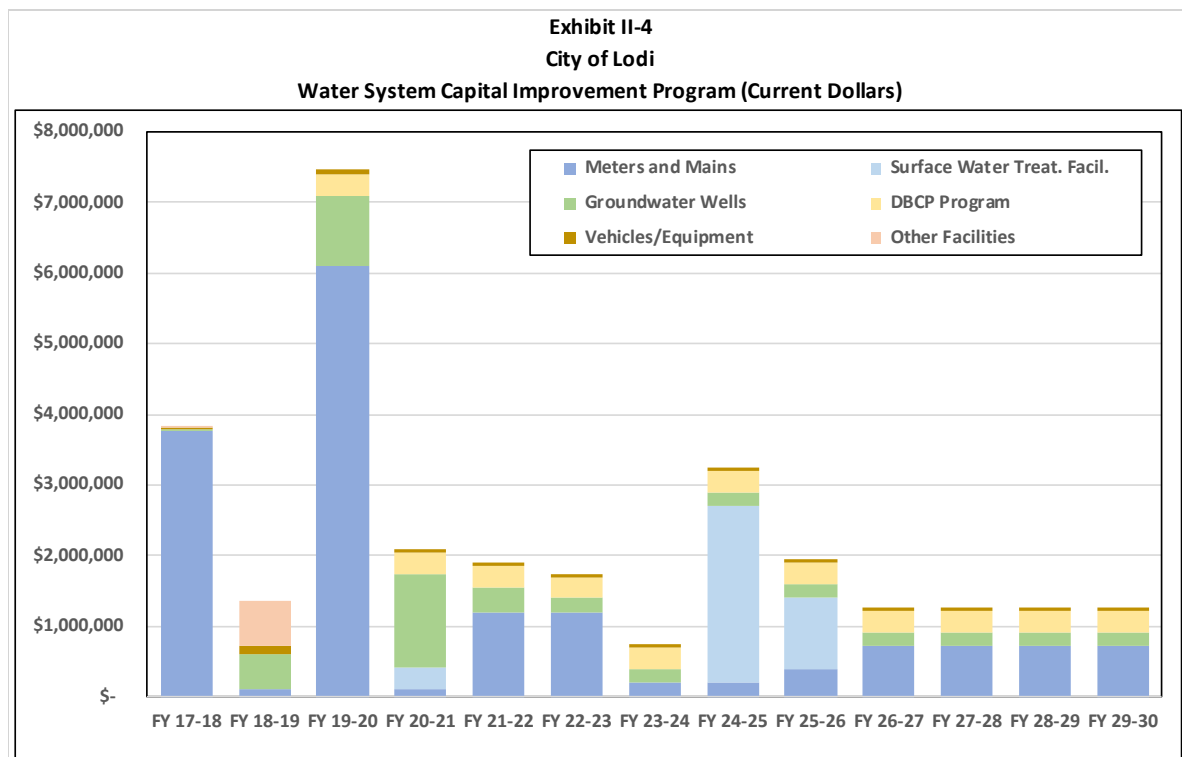
- *Growth Projections* – The financial plans assume the annual pace of new development equivalent to approximately 1.0 percent of the single family customer base. The estimate is believed to be reasonable and has been reviewed with City staff.
- *Water and Wastewater Impact Mitigation Fees* – Water and wastewater impact mitigation fees for FY 19-20 are based on fee amounts contained in a new fee study. In future years, they are adjusted at the rate of construction inflation. Estimated annual impact mitigation fee revenues are based on the applicable fees and the amount of new development activity. Impact mitigation fee revenue accrues to each Impact Mitigation Fee Fund and is used to help fund planned expansion capital improvement projects. Consistent with the City's impact mitigation fee methodology, a portion of impact mitigation fee revenue may be transferred each year to the Operating Fund help pay a portion of growth-related debt service obligations (including unmet past obligations).
- *Customer Demand* – The City was under state-mandated water use restrictions during the recent drought. A slight rebound in water demand is expected in FY 18-19 after which the average customer water demands are assumed to remain constant. A full rebound to pre-drought water usage is not included due to hardening of usage (i.e., permanent conservation measures implemented during the drought) and anticipated new water conservation requirements from the State. The assumptions used are believed reasonable and have been reviewed with City staff. Changes in water demand also affect annual wastewater flows used in wastewater revenue analysis, though to a lesser degree. Because wastewater bills are determined based on prior year winter water usage (wastewater average), the impact of the rebound in water demand is delayed in wastewater billing. Also, winter water use (reflecting indoor water use) is expected to rebound by a smaller amount, as most water conservation was achieved through reductions in outdoor irrigation.
- *Operation and Maintenance Costs* – The financial plan model is based on current operating and maintenance costs as reflected in the adopted FY 18-19 operating budget, with future estimates based on the inflation and growth assumptions described above. Assumptions were reviewed with and approved by City staff.
- *Long-Term Debt Obligations* – The City's water and wastewater utilities are fortunate to have a limited amount of long-term debt. The only water system debt obligation is related to a 2010 water bond. That bond issue included Build America Bonds (BABs), which provided a significant interest rate subsidy from the federal government. The net annual debt service for the water utility is currently slightly less than \$3.0 million, not considering the BABs subsidy that is currently about \$662,000 annually. The wastewater system's debt obligations include certificates of participation (COPs) issued in 2004, 2010, and 2016. The 2016 COPs were a refunding of the eligible portion of the 2007 COPs and took advantage of lower interest rates. The total annual debt service for the wastewater utility is also currently about \$3.0 million. The water and wastewater debt service obligations reflected in the financial plans are presented in **Exhibits II-2 and II-3**, respectively. No new long-term debt is included in the financial plan analyses.

| Exhibit II-2 City of Lodi Water System Debt Obligations | | | | | | | | | | | | | |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | FY 17-18 | FY 18-19 | FY 19-20 | FY 20-21 | FY 21-22 | FY 22-23 | FY 23-24 | FY 24-25 | FY 25-26 | FY 26-27 | FY 27-28 | FY 28-29 | FY 29-30 |
| 2010 Water Bond Series A | | | | | | | | | | | | | |
| Principal | \$ 950,000 | \$ 980,000 | \$ 1,010,000 | \$ 1,040,000 | | | | | | | | | |
| Interest | \$ 126,100 | \$ 97,600 | \$ 68,200 | \$ 36,400 | | | | | | | | | |
| Annual Payment | \$ 1,076,100 | \$ 1,077,600 | \$ 1,078,200 | \$ 1,076,400 | | | | | | | | | |
| Ending Balance | \$ 3,030,000 | \$ 2,050,000 | \$ 1,040,000 | \$ - | | | | | | | | | |
| 2010 Water Bond Series B | | | | | | | | | | | | | |
| Principal | \$ - | \$ - | \$ - | \$ - | \$ 1,075,000 | \$ 1,115,000 | \$ 1,150,000 | \$ 1,190,000 | \$ 1,235,000 | \$ 1,285,000 | \$ 1,340,000 | \$ 1,395,000 | \$ 1,450,000 |
| Interest | \$ 1,891,556 | \$ 1,891,556 | \$ 1,891,556 | \$ 1,891,556 | \$ 1,891,556 | \$ 1,837,656 | \$ 1,779,520 | \$ 1,717,259 | \$ 1,650,452 | \$ 1,571,572 | \$ 1,489,500 | \$ 1,403,914 | \$ 1,314,815 |
| Annual Payment | \$ 1,891,556 | \$ 1,891,556 | \$ 1,891,556 | \$ 1,891,556 | \$ 2,966,556 | \$ 2,952,656 | \$ 2,929,520 | \$ 2,907,259 | \$ 2,885,452 | \$ 2,856,572 | \$ 2,829,500 | \$ 2,798,914 | \$ 2,764,815 |
| Ending Balance | \$ 29,650,000 | \$ 29,650,000 | \$ 29,650,000 | \$ 29,650,000 | \$ 28,575,000 | \$ 27,460,000 | \$ 26,310,000 | \$ 25,120,000 | \$ 23,885,000 | \$ 22,600,000 | \$ 21,260,000 | \$ 19,865,000 | \$ 18,415,000 |
| Total Annual Debt Service | \$ 2,967,656 | \$ 2,969,156 | \$ 2,969,756 | \$ 2,967,956 | \$ 2,966,556 | \$ 2,952,656 | \$ 2,929,520 | \$ 2,907,259 | \$ 2,885,452 | \$ 2,856,572 | \$ 2,829,500 | \$ 2,798,914 | \$ 2,764,815 |
| BABs Interest Subsidy | \$ (662,045) | \$ (662,045) | \$ (662,045) | \$ (662,045) | \$ (662,045) | \$ (643,179) | \$ (622,832) | \$ (601,040) | \$ (577,658) | \$ (550,050) | \$ (521,325) | \$ (491,370) | \$ (460,185) |
| Net Annual Debt Service | \$ 2,305,611 | \$ 2,307,111 | \$ 2,307,711 | \$ 2,305,911 | \$ 2,304,511 | \$ 2,309,477 | \$ 2,306,688 | \$ 2,306,219 | \$ 2,307,794 | \$ 2,306,522 | \$ 2,308,175 | \$ 2,307,544 | \$ 2,304,630 |

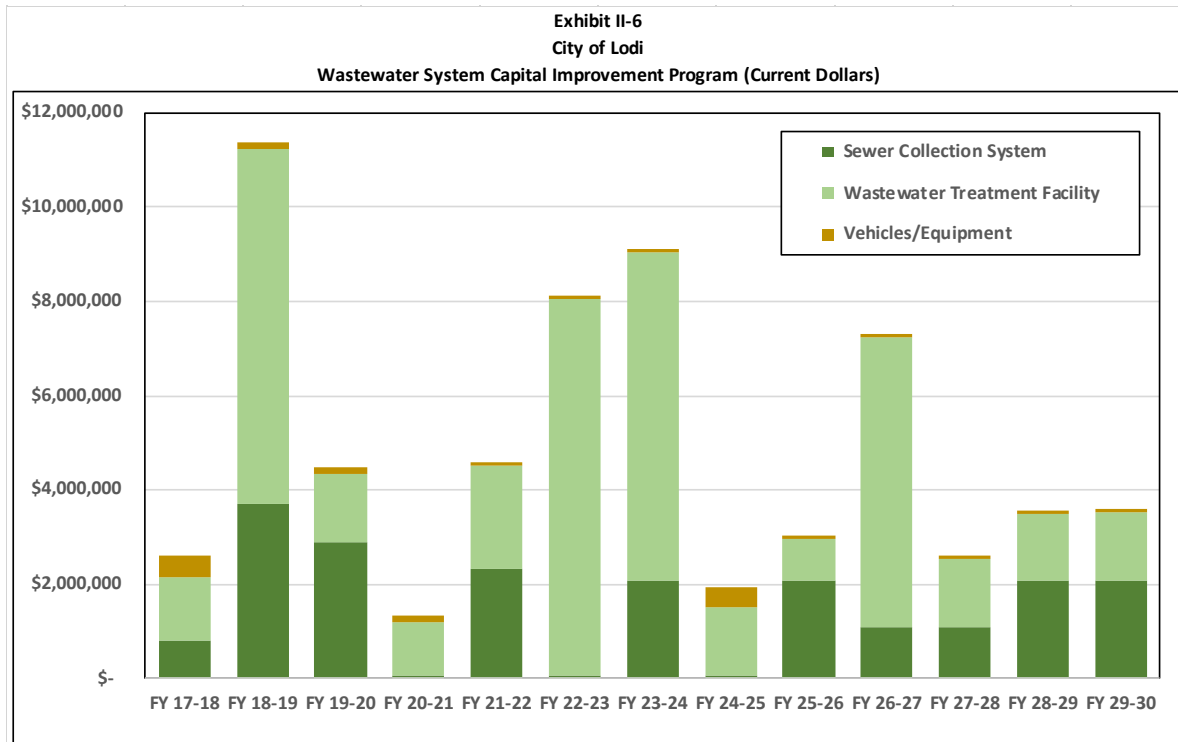
| Exhibit II-3 City of Lodi Wastewater System Debt Obligations | | | | | | | | | | | | | |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | FY 17-18 | FY 18-19 | FY 19-20 | FY 20-21 | FY 21-22 | FY 22-23 | FY 23-24 | FY 24-25 | FY 25-26 | FY 26-27 | FY 27-28 | FY 28-29 | FY 29-30 |
| 2004 Wastewater COP | | | | | | | | | | | | | |
| Principal | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Interest | \$ 98,326 | \$ 98,326 | \$ 98,326 | \$ 98,326 | \$ 98,326 | \$ 98,326 | \$ 98,326 | \$ 98,326 | \$ 98,326 | \$ 98,326 | \$ 98,326 | \$ 98,326 | \$ 98,326 |
| Annual Payment | \$ 98,326 | \$ 98,326 | \$ 98,326 | \$ 98,326 | \$ 98,326 | \$ 98,326 | \$ 98,326 | \$ 98,326 | \$ 98,326 | \$ 98,326 | \$ 98,326 | \$ 98,326 | \$ 98,326 |
| Ending Balance | \$ 2,070,000 | \$ 2,070,000 | \$ 2,070,000 | \$ 2,070,000 | \$ 2,070,000 | \$ 2,070,000 | \$ 2,070,000 | \$ 2,070,000 | \$ 2,070,000 | \$ 2,070,000 | \$ 2,070,000 | \$ 2,070,000 | \$ 2,070,000 |
| 2012 Wastewater COP | | | | | | | | | | | | | |
| Principal | \$ 1,475,000 | \$ 1,535,000 | \$ 1,600,000 | \$ 1,660,000 | \$ 1,725,000 | \$ 1,795,000 | \$ 1,885,000 | \$ 1,885,000 | \$ 1,885,000 | \$ 1,885,000 | \$ 1,885,000 | \$ 1,885,000 | \$ 1,885,000 |
| Interest | \$ 474,300 | \$ 414,100 | \$ 351,400 | \$ 286,200 | \$ 218,500 | \$ 139,125 | \$ 47,125 | \$ 47,125 | \$ 47,125 | \$ 47,125 | \$ 47,125 | \$ 47,125 | \$ 47,125 |
| Annual Payment | \$ 1,949,300 | \$ 1,949,100 | \$ 1,951,400 | \$ 1,946,200 | \$ 1,943,500 | \$ 1,934,125 | \$ 1,932,125 | \$ 1,932,125 | \$ 1,932,125 | \$ 1,932,125 | \$ 1,932,125 | \$ 1,932,125 | \$ 1,932,125 |
| Ending Balance | \$ 10,200,000 | \$ 8,665,000 | \$ 7,065,000 | \$ 5,405,000 | \$ 3,680,000 | \$ 1,885,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 2016 Wastewater COP | | | | | | | | | | | | | |
| Principal | \$ - | \$ 110,000 | \$ 110,000 | \$ 115,000 | \$ 125,000 | \$ 140,000 | \$ 145,000 | \$ 145,000 | \$ 145,000 | \$ 145,000 | \$ 145,000 | \$ 145,000 | \$ 145,000 |
| Interest | \$ 849,150 | \$ 849,150 | \$ 846,950 | \$ 843,650 | \$ 839,050 | \$ 834,050 | \$ 827,050 | \$ 819,800 | \$ 798,050 | \$ 694,550 | \$ 585,800 | \$ 532,550 | \$ 476,550 |
| Annual Payment | \$ 849,150 | \$ 959,150 | \$ 956,950 | \$ 958,650 | \$ 964,050 | \$ 974,050 | \$ 972,050 | \$ 1,254,800 | \$ 2,868,050 | \$ 2,869,550 | \$ 1,650,800 | \$ 1,652,550 | \$ 1,656,550 |
| Ending Balance | \$ 20,295,000 | \$ 20,185,000 | \$ 20,075,000 | \$ 19,960,000 | \$ 19,835,000 | \$ 19,695,000 | \$ 19,550,000 | \$ 19,115,000 | \$ 17,045,000 | \$ 14,870,000 | \$ 13,805,000 | \$ 12,685,000 | \$ 11,505,000 |
| Total Annual Debt Service | \$ 2,896,776 | \$ 3,006,576 | \$ 3,006,676 | \$ 3,003,176 | \$ 3,005,876 | \$ 3,006,501 | \$ 3,002,501 | \$ 3,373,963 | \$ 2,868,050 | \$ 2,869,550 | \$ 1,650,800 | \$ 1,652,550 | \$ 1,656,550 |

- Capital Improvement Program** – The water utility’s capital improvement plan, as developed by staff, includes multiple projects totaling about \$30.1 million (in current dollars) through FY 29-30 to be funded by the water utility. Planned annual water system CIP expenditures range from about \$750,000 to about \$7.50 million and average about \$2.5 million. **Exhibit II-4** graphically summarizes the water CIP into broad categories of projects, which include meters and mains, surface water treatment facilities, groundwater wells, the DBCP program, vehicles and equipment, and other facilities. A detailed table listing the timing and estimated cost for each water capital improvement project is presented in **Exhibit II-5**.

The wastewater utility’s capital improvement plan, as developed by staff, includes multiple projects totaling about \$72.2 million (in current dollars) during this period to be funded by the wastewater utility. Planned annual wastewater system CIP expenditures range from about \$2.90 million to about \$12.45 million and average about \$6.0 million. **Exhibit II-6** graphically summarizes the wastewater CIP into broad categories of projects, which include the sewer collection system, the wastewater treatment facility, the stormwater system, and vehicles and equipment. A detailed table listing the timing and estimated cost for each wastewater capital improvement project is presented in **Exhibit II-7**.



| Exhibit II-5 City of Lodi Water System Capital Improvement Program (Current Dollars) | | | | | | | | | | | | | |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | FY 17-18 | FY 18-19 | FY 19-20 | FY 20-21 | FY 21-22 | FY 22-23 | FY 23-24 | FY 24-25 | FY 25-26 | FY 26-27 | FY 27-28 | FY 28-29 | FY 29-30 |
| Water Capital Outlay 561 | | | | | | | | | | | | | |
| Water Meter/Main Install. Project | \$3,759,502 | \$0 | \$5,980,000 | \$75,000 | \$1,000,000 | \$1,000,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Water Taps | \$16,728 | \$75,000 | \$75,000 | \$75,000 | \$75,000 | \$75,000 | \$75,000 | \$75,000 | \$75,000 | \$75,000 | \$75,000 | \$75,000 | \$75,000 |
| Miscellaneous Water Mains | \$0 | \$50,000 | \$50,000 | \$50,000 | \$50,000 | \$50,000 | \$50,000 | \$50,000 | \$250,000 | \$500,000 | \$500,000 | \$500,000 | \$500,000 |
| Water Meter Replacement Program (1% per yr.) | \$0 | \$0 | \$0 | \$0 | \$75,000 | \$75,000 | \$75,000 | \$75,000 | \$75,000 | \$150,000 | \$150,000 | \$150,000 | \$150,000 |
| Public Improvement Reimbursements | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| GAC & Meter Repl (DBCP) | \$0 | \$0 | \$300,000 | \$300,000 | \$300,000 | \$300,000 | \$300,000 | \$300,000 | \$300,000 | \$300,000 | \$300,000 | \$300,000 | \$300,000 |
| Meter Shop Design/Construction | \$15,800 | \$200,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Southwest Gateway Water Tank | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| SWTF PS Generator | \$0 | \$0 | \$0 | \$300,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| SWTF Membrane Replacement | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| SWTF Transmission Line Expansion Design/Constr. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$2,000,000 | \$0 | \$0 | \$0 | \$0 | \$0 |
| MSC Security and Building Improvements | \$0 | \$35,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$1,000,000 | \$0 | \$0 | \$0 | \$0 |
| Well 24 - Pump Rehab/Replacement | \$6,338 | \$165,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Well 7 - Pump Rehab/Electrical Upgrade | \$0 | \$175,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Well 27 - GAC Treatment & Standby Generator | \$0 | \$70,000 | \$750,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Well 28 - GAC Treatment | \$0 | \$0 | \$70,000 | \$950,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Well 22 - Pump Rehab/Replacement | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Well 14 - Pump Rehab/Replacement | \$0 | \$0 | \$0 | \$0 | \$170,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Well 16 - Pump Rehab/Electrical Upgrade | \$0 | \$0 | \$0 | \$166,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Well 17 - Pump Rehab/Electrical Upgrade | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Well 21 - Pump Rehab/Electrical Upgrade | \$0 | \$0 | \$0 | \$200,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Well 23 - Pump Rehab/Electrical Upgrade | \$0 | \$80,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Well 25 - Pump Rehab/Electrical Upgrade | \$0 | \$0 | \$0 | \$0 | \$0 | \$200,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Well 15 - Pump Rehab/Electrical Upgrade | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$200,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Well 9 - Pump Rehab/Electrical Upgrade | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$200,000 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Well 5 - Pump Rehab/Electrical Upgrade | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$200,000 | \$0 | \$0 | \$0 | \$0 |
| Well 18 - Pump Rehab/Electrical Upgrade | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$200,000 | \$0 | \$0 | \$0 |
| Vehicles/Equipment | \$20,354 | \$120,000 | \$80,000 | \$40,000 | \$50,000 | \$50,000 | \$50,000 | \$50,000 | \$50,000 | \$50,000 | \$50,000 | \$50,000 | \$50,000 |
| Lockford Street Improvements | | \$400,000 | | | | | | | | | | | |
| Well Rehabilitation | | | | | | | | | | | | | |
| Total Water Capital Outlay 561 | \$3,818,722 | \$1,370,000 | \$7,471,000 | \$2,081,000 | \$1,905,000 | \$1,750,000 | \$750,000 | \$3,250,000 | \$1,950,000 | \$1,275,000 | \$1,795,000 | \$1,804,000 | \$2,014,800 |
| Inflated \$s | \$3,819,000 | \$1,370,000 | \$7,695,000 | \$2,208,000 | \$2,082,000 | \$1,970,000 | \$869,000 | \$3,881,000 | \$2,398,000 | \$1,615,000 | \$2,342,000 | \$2,424,000 | \$2,789,000 |
| Water IMF 562 | | | | | | | | | | | | | |
| Southwest Gateway Water Tank | | | | | | | | | | | | | |
| Total Water IMF 562 | \$0 | \$0 | \$0 | \$0 | \$0 | \$2,700,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Inflated \$s | \$0 | \$0 | \$0 | \$0 | \$0 | \$3,035,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total Water CIP | \$3,818,722 | \$1,370,000 | \$7,471,000 | \$2,081,000 | \$1,905,000 | \$4,450,000 | \$750,000 | \$3,250,000 | \$1,950,000 | \$1,275,000 | \$1,795,000 | \$1,804,000 | \$2,014,800 |



FINANCIAL PLAN FINDINGS AND CONCLUSIONS

Exhibit II-8 provides the details of the water system financial plan model. Current water rate and other operating revenues are adequate to cover current operating and maintenance costs, as well as debt service payments. However, revenues are insufficient to support peak years in the capital improvement program without depleting the Operating Reserve. The primary challenge for the water utility is to provide sufficient funding for the capital improvement program while also covering operating and maintenance costs and maintaining an adequate Operating Reserve.

Exhibit II-9 graphically summarizes the annual revenues, expenses, and year-end balances of the Water Operating Fund (560) through the planning period. Both Exhibits II-8 and II-9 reflect the proposed water rate adjustments for FY 18-19 through FY 22-23, as well as estimates for future rate adjustments through FY 29-30. It is recommended that the City seek to maintain an Operating Reserve equal to 50 percent of annual operating and maintenance expenses including debt service. However, by limiting annual rate adjustments to the rate of inflation, this target reserve level will not be reached sustainably until the end of the planning period. Also, in FY 19-20 because of Phase 8 of the meter retrofit program, the Operating Reserve will dip below 25 percent. This is a lean financial picture for the foreseeable future.

**Exhibit II-7
City of Lodi**

Wastewater System Capital Improvement Program (Current Dollars)

| | FY 17-18 | FY 18-19 | FY 19-20 | FY 20-21 | FY 21-22 | FY 22-23 | FY 23-24 | FY 24-25 | FY 25-26 | FY 26-27 | FY 27-28 | FY 28-29 | FY 29-30 |
|--|--------------------|---------------------|--------------------|--------------------|--------------------|--------------------|---------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Wastewater Capital Outlay 531 | | | | | | | | | | | | | |
| Villa Fiore Reimbursement | \$9,974 | \$930,000 | | | | | | | | | | | |
| Lockeford Street Imprv | | \$100,000 | | | | | | | | | | | |
| MSC Security Improvements | | \$35,000 | | | | | | | | | | | |
| Misc. System Relocations | | \$35,000 | \$35,000 | \$35,000 | \$35,000 | \$35,000 | \$35,000 | \$35,000 | \$35,000 | \$35,000 | \$35,000 | \$35,000 | \$35,000 |
| Misc. Wastewater Taps | \$2,906 | \$40,000 | \$40,000 | \$40,000 | \$40,000 | \$40,000 | \$40,000 | \$40,000 | \$40,000 | \$40,000 | \$40,000 | \$40,000 | \$40,000 |
| Collect. System Capac. Enhanc. Projects | | \$200,000 | | | | | | | | | | | |
| Trunk Line Assessment Phase 2 | \$191,397 | \$500,000 | | | | | | | | | | | |
| Wastewater Main Replac./Lining Proj. | \$35,185 | \$2,000,000 | \$2,600,000 | | \$2,000,000 | | \$2,000,000 | | \$2,000,000 | \$1,000,000 | \$1,000,000 | \$2,000,000 | \$2,000,000 |
| Northeast Sewer Lift Pipe Repl. | \$523 | \$60,000 | | | | | | | | | | | |
| Sewer Lift Station Wet Well Rehab | | | \$0 | \$750,000 | \$750,000 | \$0 | \$750,000 | \$750,000 | \$750,000 | \$750,000 | \$750,000 | \$750,000 | \$750,000 |
| Storm Drain Trash Handling | | | | | | | | | | | | | |
| Vineyard Storm Pump Rehab | \$6,290 | \$100,000 | \$75,000 | | | | | | | | | | |
| Lincoln Storm Water Pump Rehab | | | | | | | | | | | | | |
| Kofu Storm Water Pump Rehab | | | | | | | | | | | | | |
| Salas Storm Water Pump Rehab | | | | | | | | | | | | | |
| Henery Graves Storm Water Pump Rehab | | | | | | | | | | | | | |
| Peterson Storm Water Pump Rehab | | | | | | | | | | | | | |
| Cluff Storm Water Pump Rehab | | | | | | | | | | | | | |
| Beckman Storm Water Pump Rehab | | | | | | | | | | | | | |
| Vehicles /Equipment | \$448,934 | \$135,000 | \$150,000 | \$150,000 | \$75,000 | \$75,000 | \$75,000 | \$450,000 | \$75,000 | \$75,000 | \$75,000 | \$75,000 | \$75,000 |
| Collect. System Rehab. (Phase 7 Mtr. Prog. | \$124,536 | | | | | | | | | | | | |
| Storm Water Pump Rehab | | | | | | | | | | | | | |
| Total Wastewater Capital Outlay 531 | \$819,744 | \$3,955,000 | \$3,100,000 | \$975,000 | \$3,350,000 | \$350,000 | \$3,100,000 | \$1,475,000 | \$3,100,000 | \$2,100,000 | \$2,100,000 | \$3,100,000 | \$3,100,000 |
| Inflated \$s | \$820,000 | \$3,955,000 | \$3,193,000 | \$1,034,000 | \$3,661,000 | \$394,000 | \$3,594,000 | \$1,761,000 | \$3,813,000 | \$2,660,000 | \$2,740,000 | \$4,166,000 | \$4,291,000 |
| Wastewater Plant | | | | | | | | | | | | | |
| White Slough Recycled Water Storage | \$604,545 | \$4,000,000 | | | | | | | | | | | |
| Structural Corrosion Repair | \$250,866 | | | | | | | | | | | | |
| Upgrade Blowers | | \$750,000 | | | | | | | | | | | |
| Irrigation Improvements | \$69,069 | \$1,300,000 | | | | | | | | | | | |
| Digester #4 Cleaning | | \$220,000 | | | \$750,000 | | | \$1,000,000 | | \$1,750,000 | | | |
| Field #5 Catwalk Repair | | | | | | | | | | | | | |
| Field #5 Road Repair | \$352 | \$150,000 | | | | | | | | | | | |
| Lagoon Cleaning | | | | | | | | | | | | | |
| Pump & Equipment Upgrades | \$59,997 | \$345,000 | | | | | | | | | | | |
| Electrical/Screen/SCADA Design | \$307,279 | \$200,000 | \$900,000 | \$600,000 | \$1,000,000 | \$7,000,000 | \$5,500,000 | | | | | | |
| Electrical Upgrades/SCADA Construction | | | | | | | | | | | | | |
| Miscellaneous Future Projects | | \$100,000 | \$100,000 | | | | | | | | | | |
| Cloth Filter Media Replacement | | \$30,000 | \$30,000 | \$30,000 | \$30,000 | \$30,000 | \$30,000 | \$30,000 | \$30,000 | \$30,000 | \$30,000 | \$30,000 | \$30,000 |
| Primary Chain Flights | | \$40,000 | \$40,000 | \$40,000 | \$40,000 | \$40,000 | \$40,000 | \$40,000 | \$40,000 | \$40,000 | \$40,000 | \$40,000 | \$40,000 |
| NCPA Maintenance Generator | | \$150,000 | \$150,000 | \$150,000 | \$150,000 | \$150,000 | \$150,000 | \$150,000 | \$150,000 | \$150,000 | \$150,000 | \$150,000 | \$150,000 |
| Emergency Generator Maintenance | | \$30,000 | \$30,000 | \$30,000 | \$30,000 | \$30,000 | \$30,000 | \$30,000 | \$30,000 | \$30,000 | \$30,000 | \$30,000 | \$30,000 |
| Compliance Studies and Reports | | \$200,000 | \$200,000 | \$200,000 | \$200,000 | \$200,000 | \$200,000 | \$200,000 | \$200,000 | \$200,000 | \$200,000 | \$200,000 | \$200,000 |
| UV Design/Replacement | | | | | | | | | | | | | |
| Aeration Diffuser Replacement | | | | | | | | | | | | | |
| Pond Gates | | \$15,000 | \$15,000 | | | \$500,000 | \$450,000 | | | | | | |
| UV Crane Replacement | | \$10,000 | | | | \$15,000 | | | | | | | |
| Band Screen Rebuild | | | | \$75,000 | | | | | | | | | |
| Primary Skimmers | | | | | | \$20,000 | | | | | | | |
| Secondary Scum Trough Drives | | | | \$20,000 | | | | | | | | | |
| DWP-H2 Replacement | | \$15,000 | \$15,000 | \$15,000 | | | | \$15,000 | | | | | |
| Fan Press Replacement | | | | | | | | | | | | | |
| Wastewater Plant Maintenance | | | | | | | | | | | | | |
| Unspecified Treatment Plant Rehab | \$53,823 | | | | | | | | | | | | |
| Total Wastewater Plant | | | | | | | | | | | | | |
| Inflated \$s | \$1,345,930 | \$7,500,000 | \$1,465,000 | \$1,120,000 | \$2,200,000 | \$7,960,000 | \$6,950,000 | \$1,425,000 | \$900,000 | \$6,160,000 | \$1,450,000 | \$1,450,000 | \$1,450,000 |
| | \$1,346,000 | \$7,500,000 | \$1,509,000 | \$1,188,000 | \$2,404,000 | \$8,959,000 | \$8,057,000 | \$1,702,000 | \$1,107,000 | \$7,803,000 | \$1,892,000 | \$1,895,000 | \$2,007,000 |
| Wastewater IMF 533 | | | | | | | | | | | | | |
| Placeholder 1 | | | | | | | | | | | | | |
| Total Wastewater IMF 533 | | | | | | | | | | | | | |
| Inflated \$s | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Stormwater IMF 535 | | | | | | | | | | | | | |
| Pixley Park Storm Drain Pump Station | | | | | | | | | | | | | |
| Total Stormwater IMF 535 | | | | | | | | | | | | | |
| Inflated \$s | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total Wastewater CIP | \$2,165,675 | \$11,455,000 | \$4,565,000 | \$2,095,000 | \$5,550,000 | \$8,310,000 | \$12,450,000 | \$2,900,000 | \$4,000,000 | \$8,260,000 | \$3,550,000 | \$4,510,000 | \$4,550,000 |

**Exhibit II-8
City of Lodi**

Water System Financial Plan

| | FY 17-18 | FY 18-19 | FY 19-20 | FY 20-21 | FY 21-22 | FY 22-23 | FY 23-24 | FY 24-25 | FY 25-26 | FY 26-27 | FY 27-28 | FY 28-29 | FY 29-30 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Rate Adjustments --> | 2.9% | 3.0% | 3.0% | -8.4% | 3.0% | 3.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% |
| | April | January | January | January | January | January | January | January | January | January | January | January | January |
| WATER OPERATING FUND (FUND 560) | | | | | | | | | | | | | |
| Beginning Balance | \$ 3,597,764 | \$ 3,226,236 | \$ 55,209,000 | \$ 2,300,200 | \$ 3,218,900 | \$ 3,661,100 | \$ 4,368,900 | \$ 6,178,100 | \$ 4,865,700 | \$ 4,999,700 | \$ 5,990,200 | \$ 6,359,000 | \$ 6,747,800 |
| Operating Revenues | | | | | | | | | | | | | |
| Flat Rate Revenue | \$ 3,574,000 | \$ 3,600,000 | \$ 3,498,000 | \$ 2,955,000 | \$ 2,630,000 | \$ 2,304,000 | \$ 1,464,000 | \$ 495,000 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Service Charge Revenue | \$ 5,009,000 | \$ 5,079,000 | \$ 5,446,000 | \$ 5,570,000 | \$ 5,575,000 | \$ 6,000,000 | \$ 6,511,000 | \$ 6,900,000 | \$ 7,195,000 | \$ 7,393,000 | \$ 7,595,000 | \$ 7,803,000 | \$ 7,987,000 |
| Usage Charge Revenue | \$ 4,422,023 | \$ 4,345,000 | \$ 4,773,000 | \$ 4,905,000 | \$ 4,845,000 | \$ 5,150,000 | \$ 5,722,000 | \$ 6,414,000 | \$ 6,903,000 | \$ 7,070,000 | \$ 7,249,000 | \$ 7,445,000 | \$ 7,626,000 |
| BABs Subsidy | \$ 609,966 | \$ 662,040 | \$ 662,000 | \$ 662,000 | \$ 662,000 | \$ 643,200 | \$ 622,800 | \$ 601,000 | \$ 577,700 | \$ 550,100 | \$ 521,300 | \$ 491,400 | \$ 460,200 |
| Miscellaneous Revenue | \$ 384,741 | \$ 384,700 | \$ 377,300 | \$ 377,300 | \$ 377,300 | \$ 377,300 | \$ 377,300 | \$ 377,300 | \$ 377,300 | \$ 377,300 | \$ 377,300 | \$ 377,300 | \$ 377,300 |
| Interest Earnings | \$ 47,005 | \$ 158,000 | \$ 159,000 | \$ 69,000 | \$ 96,600 | \$ 109,800 | \$ 131,100 | \$ 185,300 | \$ 146,000 | \$ 150,000 | \$ 179,700 | \$ 190,800 | \$ 202,400 |
| Trans. from Water IMF Fund for DS | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Operating Revenues | \$14,046,734 | \$14,228,740 | \$14,915,300 | \$14,538,300 | \$14,185,900 | \$14,584,300 | \$14,828,200 | \$14,972,600 | \$15,199,000 | \$15,539,400 | \$15,922,300 | \$16,307,500 | \$16,652,900 |
| Operating Expenses and Transfers | | | | | | | | | | | | | |
| Water Administration | \$ 1,412,525 | \$ 1,667,230 | \$ 1,717,300 | \$ 1,768,500 | \$ 1,821,300 | \$ 1,875,500 | \$ 1,931,500 | \$ 1,988,900 | \$ 2,048,400 | \$ 2,109,400 | \$ 2,172,400 | \$ 2,237,200 | \$ 2,303,700 |
| WID Water Purchases | \$ 1,429,421 | \$ 1,448,451 | \$ 1,487,900 | \$ 1,528,400 | \$ 1,570,000 | \$ 1,612,800 | \$ 1,656,800 | \$ 1,703,500 | \$ 1,751,500 | \$ 1,802,200 | \$ 1,854,400 | \$ 1,908,000 | \$ 1,963,200 |
| Operating Transfer Out | \$ 820,560 | \$ 821,900 | \$ 846,600 | \$ 872,000 | \$ 898,200 | \$ 925,100 | \$ 952,900 | \$ 981,500 | \$ 1,010,900 | \$ 1,041,200 | \$ 1,072,400 | \$ 1,104,600 | \$ 1,137,700 |
| Damage to Property | \$ - | \$ 4,080 | \$ 4,200 | \$ 4,300 | \$ 4,400 | \$ 4,500 | \$ 4,600 | \$ 4,700 | \$ 4,800 | \$ 4,900 | \$ 5,000 | \$ 5,100 | \$ 5,200 |
| Water Production | \$ 553,542 | \$ 694,100 | \$ 715,100 | \$ 736,600 | \$ 758,600 | \$ 781,300 | \$ 804,700 | \$ 828,700 | \$ 853,400 | \$ 879,200 | \$ 905,500 | \$ 932,600 | \$ 960,400 |
| Electricity | \$ 312,188 | \$ 292,920 | \$ 303,800 | \$ 315,100 | \$ 326,900 | \$ 339,100 | \$ 351,800 | \$ 365,300 | \$ 379,300 | \$ 394,100 | \$ 409,500 | \$ 425,500 | \$ 442,100 |
| Water Distribution | \$ 950,750 | \$ 1,050,000 | \$ 1,081,400 | \$ 1,113,800 | \$ 1,147,100 | \$ 1,181,400 | \$ 1,216,700 | \$ 1,253,000 | \$ 1,290,200 | \$ 1,328,900 | \$ 1,368,700 | \$ 1,409,600 | \$ 1,451,600 |
| Surface Water Treatment Facility | \$ 1,253,687 | \$ 1,617,590 | \$ 1,666,100 | \$ 1,715,700 | \$ 1,766,600 | \$ 1,819,100 | \$ 1,873,000 | \$ 1,928,500 | \$ 1,985,700 | \$ 2,044,700 | \$ 2,105,500 | \$ 2,168,200 | \$ 2,232,600 |
| Electricity | \$ 165,393 | \$ 130,000 | \$ 155,600 | \$ 161,400 | \$ 167,400 | \$ 173,600 | \$ 180,100 | \$ 187,000 | \$ 194,200 | \$ 201,800 | \$ 209,700 | \$ 217,900 | \$ 226,400 |
| Water Conservation | \$ 83,884 | \$ 147,440 | \$ 151,700 | \$ 156,100 | \$ 160,700 | \$ 165,300 | \$ 170,100 | \$ 175,100 | \$ 180,300 | \$ 185,300 | \$ 190,700 | \$ 196,200 | \$ 202,000 |
| DBCP | \$ 77,416 | \$ 67,540 | \$ 69,600 | \$ 71,700 | \$ 73,900 | \$ 76,100 | \$ 78,300 | \$ 80,500 | \$ 83,000 | \$ 85,600 | \$ 88,200 | \$ 90,900 | \$ 93,600 |
| Debt Service | \$ 2,967,656 | \$ 2,969,156 | \$ 2,969,756 | \$ 2,967,956 | \$ 2,966,556 | \$ 2,952,656 | \$ 2,929,520 | \$ 2,907,259 | \$ 2,885,452 | \$ 2,856,572 | \$ 2,829,500 | \$ 2,798,914 | \$ 2,764,815 |
| Transfer to Capital Fund (Fund 561) | \$ 3,868,331 | \$1,225,590 | \$ 6,745,000 | \$ 2,208,000 | \$ 2,082,000 | \$ 1,970,000 | \$ 869,000 | \$ 3,881,000 | \$ 2,398,000 | \$ 1,615,000 | \$ 2,342,000 | \$ 2,424,000 | \$ 2,789,000 |
| Total Oper. Expenses and Transfers | \$13,895,353 | \$12,155,997 | \$17,914,056 | \$13,619,556 | \$13,743,856 | \$13,876,456 | \$13,019,020 | \$16,284,959 | \$15,064,952 | \$14,548,872 | \$15,553,500 | \$15,918,714 | \$16,572,315 |
| Ending Balance | \$ 3,749,145 | \$ 5,298,979 | \$ 2,300,244 | \$ 3,218,944 | \$ 3,661,144 | \$ 4,368,944 | \$ 6,178,081 | \$ 4,865,742 | \$ 4,999,748 | \$ 5,990,228 | \$ 6,359,001 | \$ 6,747,786 | \$ 6,829,385 |
| Operating Reserve (50%) | \$ 5,014,000 | \$ 5,465,000 | \$ 5,585,000 | \$ 5,706,000 | \$ 5,831,000 | \$ 5,953,000 | \$ 6,075,000 | \$ 6,202,000 | \$ 6,333,000 | \$ 6,467,000 | \$ 6,606,000 | \$ 6,747,000 | \$ 6,892,000 |
| Available Funds | \$ (1,264,855) | \$ (166,021) | \$ (3,284,756) | \$ (2,487,056) | \$ (2,169,856) | \$ (1,584,056) | \$ 103,081 | \$ (1,336,259) | \$ (1,333,252) | \$ (476,772) | \$ (247,000) | \$ 786 | \$ (63,615) |
| Debt Service Coverage (min. 1.25) | \$ 2.48 | \$ 2.27 | \$ 2.46 | \$ 2.25 | \$ 2.06 | \$ 2.13 | \$ 2.13 | \$ 2.11 | \$ 2.12 | \$ 2.18 | \$ 2.24 | \$ 2.31 | \$ 2.37 |
| WATER CAPITAL FUND (FUND 561) | | | | | | | | | | | | | |
| Beginning Balance | \$ 95,079 | \$ 144,410 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Revenues and Transfers In | | | | | | | | | | | | | |
| Transfer from Operating Fund | \$ 3,868,331 | \$ 1,225,590 | \$ 6,745,000 | \$ 2,208,000 | \$ 2,082,000 | \$ 1,970,000 | \$ 869,000 | \$ 3,881,000 | \$ 2,398,000 | \$ 1,615,000 | \$ 2,342,000 | \$ 2,424,000 | \$ 2,789,000 |
| Transfer from Water IMF Fund | \$ - | \$ - | \$ 950,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Revenues and Transfers In | \$ 3,868,331 | \$ 1,225,590 | \$ 7,695,000 | \$ 2,208,000 | \$ 2,082,000 | \$ 1,970,000 | \$ 869,000 | \$ 3,881,000 | \$ 2,398,000 | \$ 1,615,000 | \$ 2,342,000 | \$ 2,424,000 | \$ 2,789,000 |
| Capital Program Expenditures | | | | | | | | | | | | | |
| Capital Projects | \$ 3,819,000 | \$ 1,370,000 | \$ 7,695,000 | \$ 2,208,000 | \$ 2,082,000 | \$ 1,970,000 | \$ 869,000 | \$ 3,881,000 | \$ 2,398,000 | \$ 1,615,000 | \$ 2,342,000 | \$ 2,424,000 | \$ 2,789,000 |
| Total Capital Prog. Expend. | \$ 3,819,000 | \$ 1,370,000 | \$ 7,695,000 | \$ 2,208,000 | \$ 2,082,000 | \$ 1,970,000 | \$ 869,000 | \$ 3,881,000 | \$ 2,398,000 | \$ 1,615,000 | \$ 2,342,000 | \$ 2,424,000 | \$ 2,789,000 |
| Ending Balance | \$ 144,410 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| WATER IMF FUND (FUND 562) | | | | | | | | | | | | | |
| Beginning Balance | \$ 702,815 | \$ 1,079,382 | \$ 1,555,700 | \$ 1,181,200 | \$ 1,766,700 | \$ 2,392,100 | \$ 20,400 | \$ 640,500 | \$ 1,304,200 | \$ 2,013,800 | \$ 2,771,700 | \$ 3,580,600 | \$ 4,442,900 |
| Revenues and Transfers In | | | | | | | | | | | | | |
| Interest Earnings | \$ - | \$ - | \$ 46,700 | \$ 35,400 | \$ 53,000 | \$ 71,800 | \$ 600 | \$ 19,200 | \$ 39,100 | \$ 60,400 | \$ 83,200 | \$ 107,400 | \$ 133,300 |
| Water IMF Revenue | \$ 362,481 | \$ 476,310 | \$ 528,800 | \$ 550,100 | \$ 572,400 | \$ 595,500 | \$ 619,500 | \$ 644,500 | \$ 670,500 | \$ 697,500 | \$ 725,700 | \$ 754,900 | \$ 785,400 |
| Total Revenues and Transfers In | \$ 362,481 | \$ 476,310 | \$ 575,500 | \$ 585,500 | \$ 625,400 | \$ 667,300 | \$ 620,100 | \$ 663,700 | \$ 709,600 | \$ 757,900 | \$ 808,900 | \$ 862,300 | \$ 918,700 |
| Water IMF Expend. & Transfers | | | | | | | | | | | | | |
| Water IMF Projects | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 3,039,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Transfer to Cap. Fund for Projects | \$ - | \$ - | \$ 950,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Water IMF Expend. | \$ - | \$ - | \$ 950,000 | \$ - | \$ - | \$ 3,039,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Ending Balance | \$ 1,065,296 | \$ 1,555,692 | \$ 1,181,200 | \$ 1,766,700 | \$ 2,392,100 | \$ 20,400 | \$ 640,500 | \$ 1,304,200 | \$ 2,013,800 | \$ 2,771,700 | \$ 3,580,600 | \$ 4,442,900 | \$ 5,361,600 |
| Owed Fund 560 for Debt Service | \$ 8,267,794 | \$ 9,805,871 | \$ 10,394,375 | \$ 11,931,679 | \$ 13,468,050 | \$ 15,007,687 | \$ 16,545,500 | \$ 18,083,006 | \$ 19,621,507 | \$ 21,159,155 | \$ 22,697,955 | \$ 24,236,297 | \$ 25,772,707 |

Exhibit II-9
City of Lodi

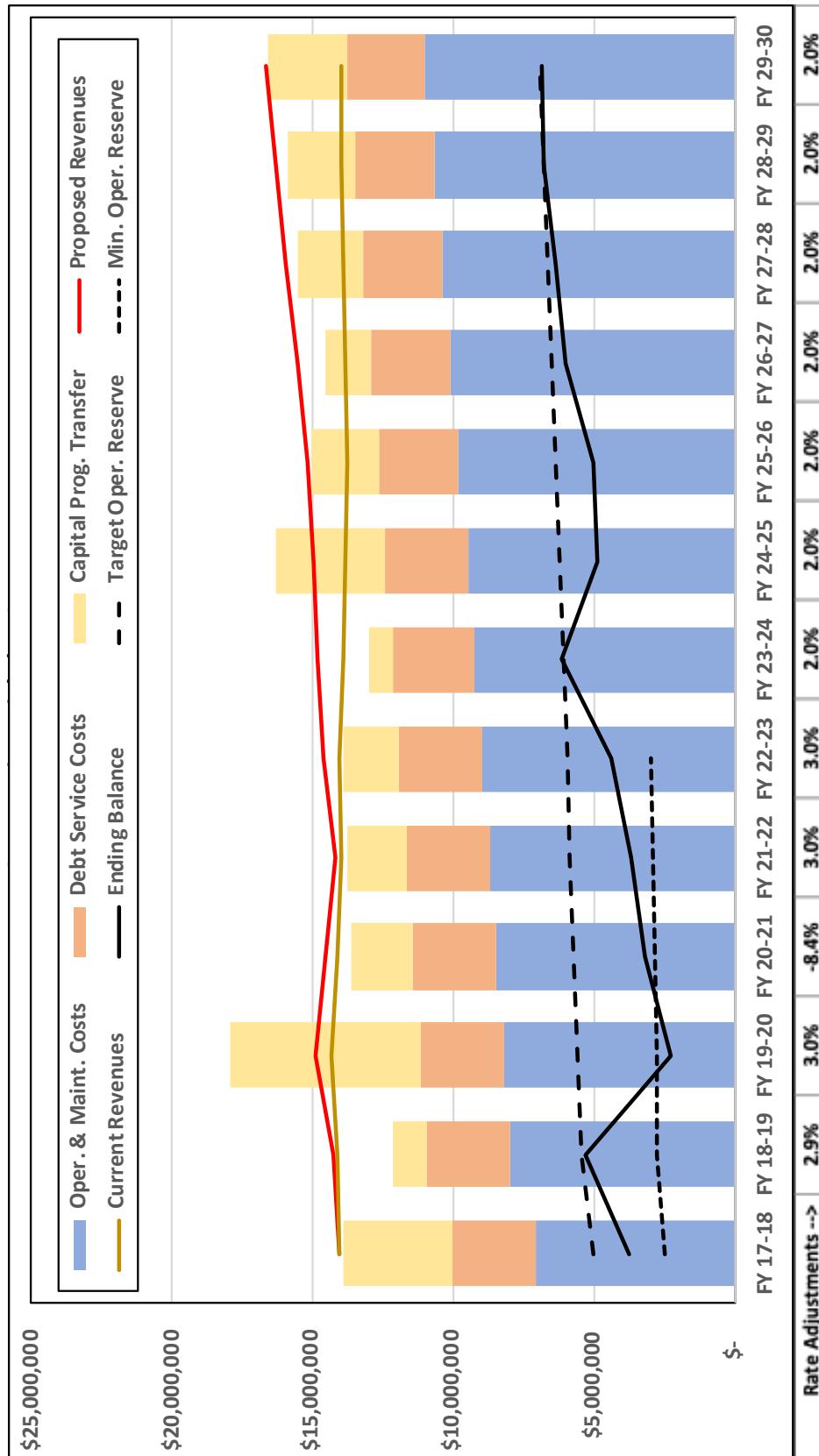


Exhibit II-10 (on two pages) provides the details of the wastewater system financial plan model. The wastewater utility differs from the water utility in that it currently has an Operating Fund balance that greatly exceeds the target Operating Reserve. However, the surplus will be needed to fund peak years of the wastewater capital improvement program. By limiting annual rate adjustments to the rate of inflation the wastewater Operating Reserve will dip near or below the minimum 25 percent level at two points in time over the planning period before recovering to the target 50 percent level.

Exhibit II-11 graphically summarizes the annual revenues, expenses, and year-end balances of the Wastewater Operating Fund (530) through the planning period. Both Exhibits II-10 and II-11 reflect the proposed wastewater rate adjustments for FY 19-20 through FY 23-24, as well as estimates for future rate adjustments through FY 29-30. This lean financial situation should be monitored closely particularly as the City reaches the peak capital program expenditure years about five years from now.

FINANCIAL PLAN REVENUE REQUIREMENT RECOMMENDATIONS

The water and wastewater financial plan models were developed in close consultation with Public Works staff in an effort to limit annual rate adjustments to the rate of inflation as determined by changes in the ENR 20-cities construction cost index. Such rate adjustments have been the practice of the City for the past five years. The water system financial plan also incorporates the rate rollback, as previously approved by the City Council for January 2021. At that time, the water rates will be reduced to the levels that existed in 2016. While the rate rollback was intended to coincide with the completion of the meter retrofit program, metering of multi-family apartment complexes and some commercial accounts will still remain at that time.

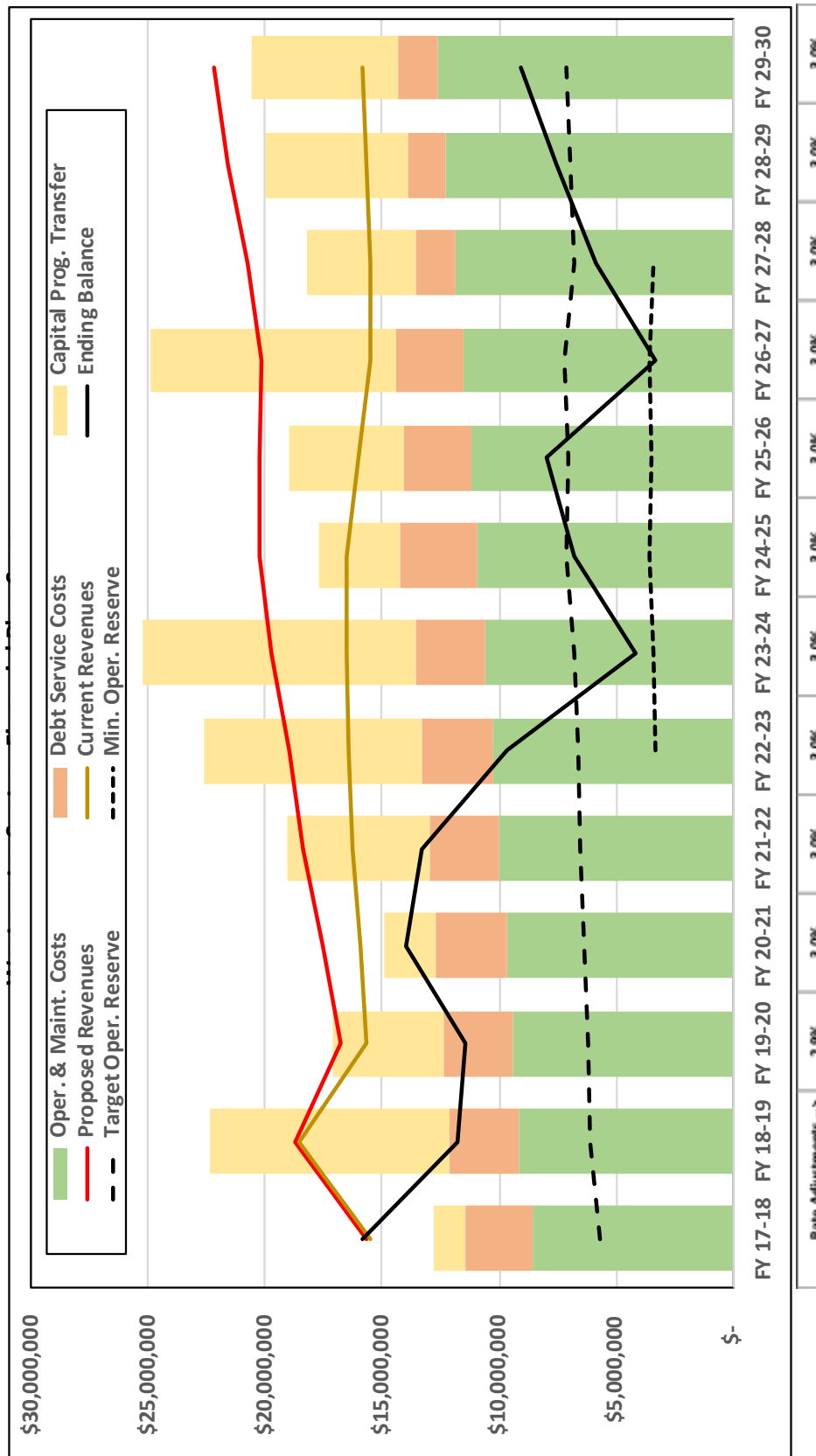
In summary, the five-year water and wastewater rate recommendations are to continue to adjust water and wastewater rates annually based on changes in the ENR CCI. Because of the timing of this study, the initial water rate adjustments are proposed for April 2019 followed by adjustments each January from 2020 through 2023. Wastewater rate adjustments would all occur in July of each year from 2019 through 2023. Initial adjustments should be 2.9 percent for both water and wastewater, based on the change in the ENR CCI in 2018. Subsequent adjustments would be based on the annual change in the ENR CCI subject to a 3.0 percent annual cap. Every rate adjustment is needed in order to meet the longer-term revenue needs of the utilities. That is, implementing a smaller increase than proposed in any given year could contribute to a future need for rate adjustments that exceed the rate of inflation. This is particularly true with the variability exhibited in the capital improvement programs for both the water and wastewater utilities.

Exhibit II-10
City of Lodi
Wastewater System Financial Plan

| | FY 17-18 | FY 18-19 | FY 19-20 | FY 20-21 | FY 21-22 | FY 22-23 | FY 23-24 | FY 24-25 | FY 25-26 | FY 26-27 | FY 27-28 | FY 28-29 | FY 29-30 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | Rate Adjustments --> | | 2.9% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% |
| | | | July | July | July | July | July | July | July | July | July | July | July |
| WASTEWATER OPERATING FUND (FUND 530) | | | | | | | | | | | | | |
| Beginning Balance | \$ 12,967,860 | \$ 15,365,382 | \$ 11,780,300 | \$ 11,403,800 | \$ 13,990,100 | \$ 13,322,200 | \$ 9,695,600 | \$ 4,200,200 | \$ 6,743,500 | \$ 7,990,200 | \$ 3,278,100 | \$ 5,865,300 | \$ 7,507,900 |
| Operating Revenues | | | | | | | | | | | | | |
| Flat Rate Revenue | \$ 4,071,900 | \$ 3,297,900 | \$ 3,393,600 | \$ 3,015,600 | \$ 2,619,600 | \$ 2,698,200 | \$ 2,335,400 | \$ 2,405,400 | \$ 1,239,000 | \$ - | \$ - | \$ - | \$ - |
| Service Charge Revenue | \$ 5,576,600 | \$ 6,113,300 | \$ 6,343,600 | \$ 6,889,000 | \$ 7,458,500 | \$ 7,740,700 | \$ 8,313,500 | \$ 8,626,300 | \$ 9,245,700 | \$ 9,896,600 | \$ 10,264,900 | \$ 10,647,100 | \$ 11,044,000 |
| Usage Charge Revenue | \$ 5,215,043 | \$ 5,796,900 | \$ 6,032,500 | \$ 6,637,100 | \$ 7,267,400 | \$ 7,554,900 | \$ 8,186,000 | \$ 8,507,000 | \$ 8,958,200 | \$ 9,430,200 | \$ 9,798,400 | \$ 10,180,700 | \$ 10,570,000 |
| Miscellaneous Revenue | \$ 204,007 | \$ 180,000 | \$ 211,900 | \$ 211,900 | \$ 211,900 | \$ 211,900 | \$ 211,900 | \$ 211,900 | \$ 211,900 | \$ 211,900 | \$ 211,900 | \$ 211,900 | \$ 211,900 |
| Grant Revenue | \$ 400,282 | \$ 3,150,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Interest Earnings | \$ 205,140 | \$ 220,000 | \$ 353,400 | \$ 342,100 | \$ 419,700 | \$ 399,700 | \$ 290,900 | \$ 126,000 | \$ 202,300 | \$ 239,700 | \$ 98,300 | \$ 176,000 | \$ 225,200 |
| Trans. From/(To) WW Rate Stab. | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Trans. From WW IMF Fund for DS | \$ - | \$ - | \$ 400,000 | \$ 400,000 | \$ 400,000 | \$ 400,000 | \$ 400,000 | \$ 400,000 | \$ 400,000 | \$ 400,000 | \$ 400,000 | \$ 400,000 | \$ 400,000 |
| Total Operating Revenues | \$ 15,672,971 | \$ 18,758,100 | \$ 16,735,000 | \$ 17,495,700 | \$ 18,377,100 | \$ 19,005,400 | \$ 19,737,700 | \$ 20,276,600 | \$ 20,257,100 | \$ 20,178,400 | \$ 20,773,500 | \$ 21,615,700 | \$ 22,151,100 |
| Operating Expenses and Transfers | | | | | | | | | | | | | |
| Wastewater Administration | \$ 1,324,120 | \$ 1,397,140 | \$ 1,439,000 | \$ 1,481,700 | \$ 1,526,100 | \$ 1,571,700 | \$ 1,618,500 | \$ 1,666,600 | \$ 1,716,400 | \$ 1,767,600 | \$ 1,820,200 | \$ 1,874,500 | \$ 1,930,300 |
| Operating Transfer Out | \$ 1,108,270 | \$ 1,083,710 | \$ 1,116,200 | \$ 1,149,700 | \$ 1,184,200 | \$ 1,219,700 | \$ 1,256,300 | \$ 1,294,000 | \$ 1,332,800 | \$ 1,372,800 | \$ 1,414,000 | \$ 1,456,400 | \$ 1,500,100 |
| Damage to Property | \$ 2,861 | \$ 5,800 | \$ 5,900 | \$ 6,000 | \$ 6,100 | \$ 6,200 | \$ 6,300 | \$ 6,400 | \$ 6,500 | \$ 6,600 | \$ 6,700 | \$ 6,800 | \$ 7,000 |
| White Slough WPCF | \$ 3,828,052 | \$ 4,434,580 | \$ 4,567,800 | \$ 4,704,900 | \$ 4,845,800 | \$ 4,990,800 | \$ 5,140,200 | \$ 5,294,400 | \$ 5,453,100 | \$ 5,616,400 | \$ 5,784,900 | \$ 5,958,400 | \$ 6,137,000 |
| Electricity | \$ 629,470 | \$ 603,060 | \$ 621,200 | \$ 639,800 | \$ 659,000 | \$ 678,800 | \$ 699,200 | \$ 720,200 | \$ 741,800 | \$ 764,100 | \$ 787,000 | \$ 810,600 | \$ 834,900 |
| Sanitary System Maintenance | \$ 889,128 | \$ 791,730 | \$ 815,700 | \$ 840,100 | \$ 865,200 | \$ 891,100 | \$ 917,700 | \$ 945,200 | \$ 973,500 | \$ 1,002,600 | \$ 1,032,500 | \$ 1,063,400 | \$ 1,095,000 |
| Storm Drainage Maintenance | \$ 565,918 | \$ 725,890 | \$ 748,000 | \$ 770,500 | \$ 793,600 | \$ 817,400 | \$ 841,900 | \$ 867,200 | \$ 893,100 | \$ 919,900 | \$ 947,400 | \$ 975,700 | \$ 1,004,600 |
| Industrial System Maintenance | \$ 5,590 | \$ 12,200 | \$ 12,500 | \$ 12,800 | \$ 13,100 | \$ 13,400 | \$ 13,700 | \$ 14,000 | \$ 14,300 | \$ 14,600 | \$ 14,900 | \$ 15,200 | \$ 15,500 |
| Water/Wastewater Personnel | \$ 139,712 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Watershed Education | \$ 42,290 | \$ 74,310 | \$ 76,500 | \$ 78,700 | \$ 81,000 | \$ 83,400 | \$ 85,800 | \$ 88,300 | \$ 90,800 | \$ 93,300 | \$ 95,900 | \$ 98,500 | \$ 101,300 |
| Debt Service | \$ 2,896,776 | \$ 3,006,576 | \$ 3,006,700 | \$ 3,003,200 | \$ 3,005,900 | \$ 3,006,500 | \$ 3,002,500 | \$ 3,374,000 | \$ 2,868,100 | \$ 2,869,600 | \$ 1,650,800 | \$ 1,652,600 | \$ 1,656,600 |
| Transfer to Capital Fund (Fund 531) | \$ 1,345,754 | \$ 10,208,149 | \$ 4,702,000 | \$ 2,222,000 | \$ 6,065,000 | \$ 9,353,000 | \$ 11,651,000 | \$ 3,463,000 | \$ 4,920,000 | \$ 10,463,000 | \$ 4,632,000 | \$ 6,061,000 | \$ 6,298,000 |
| Total Oper. Expenses and Transfers | \$ 12,777,941 | \$ 22,343,145 | \$ 17,111,500 | \$ 14,909,400 | \$ 19,045,000 | \$ 22,632,000 | \$ 25,233,100 | \$ 17,733,300 | \$ 19,010,400 | \$ 24,890,500 | \$ 18,186,300 | \$ 19,973,100 | \$ 20,580,300 |
| Ending Balance | \$ 15,862,890 | \$ 11,780,337 | \$ 11,403,800 | \$ 13,990,100 | \$ 13,322,200 | \$ 9,695,600 | \$ 4,200,200 | \$ 6,743,500 | \$ 7,990,200 | \$ 3,278,100 | \$ 5,865,300 | \$ 7,507,900 | \$ 9,078,700 |
| Operating Reserve (50%) | \$ 5,716,000 | \$ 6,067,000 | \$ 6,205,000 | \$ 6,344,000 | \$ 6,490,000 | \$ 6,640,000 | \$ 6,791,000 | \$ 7,135,000 | \$ 7,045,000 | \$ 7,214,000 | \$ 6,777,000 | \$ 6,956,000 | \$ 7,141,000 |
| Available Funds | \$ 10,146,890 | \$ 5,713,337 | \$ 5,198,800 | \$ 7,646,100 | \$ 6,832,200 | \$ 3,055,600 | \$ (2,590,800) | \$ (391,500) | \$ 945,200 | \$ (3,935,900) | \$ (911,700) | \$ 551,900 | \$ 1,937,700 |
| Debt Service Coverage (min. 1.25) | 2.64 | 3.51 | 2.45 | 2.62 | 2.82 | 2.94 | 3.09 | 2.80 | 3.18 | 3.04 | 5.45 | 5.75 | 5.86 |
| WASTEWATER CAPITAL FUND (FUND 531) | | | | | | | | | | | | | |
| Beginning Balance | \$ 1,067,097 | \$ 246,851 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Revenues and Transfers In | | | | | | | | | | | | | |
| Transfer from Operating Fund | \$ 1,345,754 | \$ 10,208,149 | \$ 4,702,000 | \$ 2,222,000 | \$ 6,065,000 | \$ 9,353,000 | \$ 11,651,000 | \$ 3,463,000 | \$ 4,920,000 | \$ 10,463,000 | \$ 4,632,000 | \$ 6,061,000 | \$ 6,298,000 |
| Transfer from WW IMF Fund | \$ - | \$ 1,000,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Revenues and Transfers In | \$ 1,345,754 | \$ 11,208,149 | \$ 4,702,000 | \$ 2,222,000 | \$ 6,065,000 | \$ 9,353,000 | \$ 11,651,000 | \$ 3,463,000 | \$ 4,920,000 | \$ 10,463,000 | \$ 4,632,000 | \$ 6,061,000 | \$ 6,298,000 |
| Capital Program Expenditures | | | | | | | | | | | | | |
| Wastewater Capital Outlay | \$ 820,000 | \$ 3,955,000 | \$ 3,193,000 | \$ 1,034,000 | \$ 3,661,000 | \$ 394,000 | \$ 3,594,000 | \$ 1,761,000 | \$ 3,813,000 | \$ 2,660,000 | \$ 2,740,000 | \$ 4,166,000 | \$ 4,291,000 |
| Wastewater Plant | \$ 1,346,000 | \$ 7,500,000 | \$ 1,509,000 | \$ 1,188,000 | \$ 2,404,000 | \$ 8,959,000 | \$ 8,057,000 | \$ 1,702,000 | \$ 1,107,000 | \$ 7,803,000 | \$ 1,892,000 | \$ 1,895,000 | \$ 2,007,000 |
| Total Capital Prog. Expend. | \$ 2,166,000 | \$ 11,455,000 | \$ 4,702,000 | \$ 2,222,000 | \$ 6,065,000 | \$ 9,353,000 | \$ 11,651,000 | \$ 3,463,000 | \$ 4,920,000 | \$ 10,463,000 | \$ 4,632,000 | \$ 6,061,000 | \$ 6,298,000 |
| Ending Balance | \$ 246,851 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

| Exhibit II-10 -- Continued | | | | | | | | | | | | | |
|---|--------------|--------------|--------------|--------------|--------------|--------------|----------------|----------------|----------------|---------------|---------------|---------------|---------------|
| City of Lodi | | | | | | | | | | | | | |
| Wastewater System Financial Plan | | | | | | | | | | | | | |
| | FY 17-18 | FY 18-19 | FY 19-20 | FY 20-21 | FY 21-22 | FY 22-23 | FY 23-24 | FY 24-25 | FY 25-26 | FY 26-27 | FY 27-28 | FY 28-29 | FY 29-30 |
| WASTEWATER IMF FUND (FUND 533) | | | | | | | | | | | | | |
| Beginning Balance | \$ 759,967 | \$ 809,400 | \$ 712,500 | \$ 621,700 | \$ 539,900 | \$ 467,600 | \$ 405,700 | \$ 355,000 | \$ 316,400 | \$ 290,700 | \$ 279,000 | \$ 282,200 | \$ 301,400 |
| Revenues and Transfers In | | | | | | | | | | | | | |
| Interest Earnings | \$ - | \$ - | \$ 21,400 | \$ 18,700 | \$ 16,200 | \$ 14,000 | \$ 12,200 | \$ 10,700 | \$ 9,500 | \$ 8,700 | \$ 8,400 | \$ 8,500 | \$ 9,000 |
| Wastewater IMF Revenue | \$ 503,776 | \$ 903,130 | \$ 287,800 | \$ 299,500 | \$ 311,500 | \$ 324,100 | \$ 337,100 | \$ 350,700 | \$ 364,800 | \$ 379,600 | \$ 394,800 | \$ 410,700 | \$ 427,200 |
| Total Revenues and Transfers In | \$ 503,776 | \$ 903,130 | \$ 309,200 | \$ 318,200 | \$ 327,700 | \$ 338,100 | \$ 349,300 | \$ 361,400 | \$ 374,300 | \$ 388,300 | \$ 403,200 | \$ 419,200 | \$ 436,200 |
| Wastewater IMF Expend. & Transfers | | | | | | | | | | | | | |
| Wastewater IMF Projects | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Transfer to Oper. for Debt Service | \$ - | \$ - | \$ 400,000 | \$ 400,000 | \$ 400,000 | \$ 400,000 | \$ 400,000 | \$ 400,000 | \$ 400,000 | \$ 400,000 | \$ 400,000 | \$ 400,000 | \$ 400,000 |
| Transfer to Cap. for Projects | \$ - | \$ 1,000,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Wastewater IMF Expend. | \$ - | \$ 1,000,000 | \$ 400,000 | \$ 400,000 | \$ 400,000 | \$ 400,000 | \$ 400,000 | \$ 400,000 | \$ 400,000 | \$ 400,000 | \$ 400,000 | \$ 400,000 | \$ 400,000 |
| Ending Balance | \$ 1,263,743 | \$ 712,530 | \$ 621,700 | \$ 539,900 | \$ 467,600 | \$ 405,700 | \$ 355,000 | \$ 316,400 | \$ 290,700 | \$ 279,000 | \$ 282,200 | \$ 301,400 | \$ 337,600 |
| Owed Fund 530 for Debt Service | \$ 5,546,549 | \$ 5,899,508 | \$ 6,852,523 | \$ 7,803,963 | \$ 8,756,618 | \$ 9,709,543 | \$ 10,660,668 | \$ 11,778,968 | \$ 12,669,613 | \$ 13,560,933 | \$ 13,903,793 | \$ 14,247,463 | \$ 14,592,933 |
| STORMWATER IMF FUND (FUND 535) | | | | | | | | | | | | | |
| Beginning Balance | \$ 925,574 | \$ 930,384 | \$ 945,700 | \$ 1,069,000 | \$ 1,199,800 | \$ 1,338,600 | \$ 1,485,700 | \$ (1,140,400) | \$ (1,058,900) | \$ (970,300) | \$ (874,200) | \$ (770,100) | \$ (657,600) |
| Revenues and Transfers In | | | | | | | | | | | | | |
| Interest Earnings | \$ - | \$ - | \$ 28,400 | \$ 32,100 | \$ 36,000 | \$ 40,200 | \$ 44,600 | \$ (34,200) | \$ (31,800) | \$ (29,100) | \$ (26,200) | \$ (23,100) | \$ (19,700) |
| Stormwater IMF Revenue | \$ 7,759 | \$ 15,330 | \$ 94,900 | \$ 98,700 | \$ 102,800 | \$ 106,900 | \$ 111,300 | \$ 115,700 | \$ 120,400 | \$ 125,200 | \$ 130,300 | \$ 135,600 | \$ 141,000 |
| Total Revenues and Transfers In | \$ 7,759 | \$ 15,330 | \$ 123,300 | \$ 130,800 | \$ 138,800 | \$ 147,100 | \$ 155,900 | \$ 81,500 | \$ 88,600 | \$ 96,100 | \$ 104,100 | \$ 112,500 | \$ 121,300 |
| Stormwater IMF Expend. & Transfers | | | | | | | | | | | | | |
| Stormwater IMF Projects | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 2,782,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Transfer to Cap. for Projects | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Stormwater IMF Expend. | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 2,782,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Ending Balance | \$ 933,333 | \$ 945,714 | \$ 1,069,000 | \$ 1,199,800 | \$ 1,338,600 | \$ 1,485,700 | \$ (1,140,400) | \$ (1,058,900) | \$ (970,300) | \$ (874,200) | \$ (770,100) | \$ (657,600) | \$ (536,300) |
| WASTEWATER RATE STABILIZATION FUND (FUND 534) | | | | | | | | | | | | | |
| Beginning Balance | \$ 500,000 | \$ 500,000 | \$ 500,000 | \$ 515,000 | \$ 530,500 | \$ 546,400 | \$ 562,800 | \$ 579,700 | \$ 597,100 | \$ 615,000 | \$ 633,500 | \$ 652,500 | \$ 672,100 |
| Revenues and Transfers In | | | | | | | | | | | | | |
| Interest Earnings | \$ - | \$ - | \$ 15,000 | \$ 15,500 | \$ 15,900 | \$ 16,400 | \$ 16,900 | \$ 17,400 | \$ 17,900 | \$ 18,500 | \$ 19,000 | \$ 19,600 | \$ 20,200 |
| Transfers From/(To) Oper. Fund | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Revs. and Transfers In/(Out) | \$ - | \$ - | \$ 15,000 | \$ 15,500 | \$ 15,900 | \$ 16,400 | \$ 16,900 | \$ 17,400 | \$ 17,900 | \$ 18,500 | \$ 19,000 | \$ 19,600 | \$ 20,200 |
| Ending Balance | \$ 500,000 | \$ 500,000 | \$ 515,000 | \$ 530,500 | \$ 546,400 | \$ 562,800 | \$ 579,700 | \$ 597,100 | \$ 615,000 | \$ 633,500 | \$ 652,500 | \$ 672,100 | \$ 692,300 |

Exhibit II-11
City of Lodi



As proposed, the City should anticipate adjusting water and wastewater rates by the following amounts:

Water Utility

| | | |
|--------------|-------|--------------------------|
| April 2019 | 2.9% | |
| January 2020 | 3.0% | |
| January 2021 | -8.4% | (rollback to 2016 rates) |
| January 2022 | 3.0% | |
| January 2023 | 3.0% | |

Wastewater Utility

| | |
|-----------|------|
| July 2019 | 2.9% |
| July 2020 | 3.0% |
| July 2021 | 3.0% |
| July 2022 | 3.0% |
| July 2023 | 3.0% |

The water and wastewater system financial plan models reflect assumptions and estimates that are believed reasonable at the present time. However, conditions change. It is recommended that the City review the financial conditions of the utilities annually as part of the budget process and perform a more comprehensive financial plan and rate update study every 3 to 5 years, unless otherwise needed sooner.

WATER SHORTAGE FINANCIAL ANALYSIS

This study also included an analysis of the financial impacts associated with drought and reduced water sales. The City (and the entire State) recently emerged from an extended drought, which included State-mandated water use restrictions. Reduced water sales in recent years have had a financial impact of the water utility as the reduction in water sales revenue exceeded the reduction in water system costs. The financial strain placed on the City's water utility was similar to the strain confronted by many other utilities. With this recent experience, the City is concerned about potential financial impact of a future drought and reduced water usage on the water utility. As a result, a financial analysis of the potential impact of drought was performed as part of this study with the intent of identifying and developing tools for countering the potential financial impacts associated with water shortage conditions.

The City's water utility can be affected in several ways by drought conditions. Changes in operating and maintenance costs and revenues can include:

- Reduced water sales and water sales revenue
- Reduced water purchases and water purchase costs
- Reduced or increased groundwater production and production costs²
- Increased water conservation and education/assistance program costs.

² An increase in groundwater production costs could result from a shift in water supply mix away from WID water purchases and towards groundwater production.

While the reduction in water sales revenue would be partially offset by the reduction in water purchase and production costs, revenue typically declines more than costs creating a financial deficit. Increased water conservation program costs, including education and assistance programs, add to the financial deficit created by water shortage.

In response to water shortage, and the financial deficit created, the City has the ability to take several actions. The analysis presented herein focused on three potential courses of action, including:

- Using available financial reserves, including portions of the water Operating Reserve
- Supplementing water rate revenues through imposition of temporary water shortage surcharges
- In more severe conditions deferring capital program expenditures to reduce costs and preserve cash.

The City could also reduce operating and maintenance costs, where possible, or seek outside funding sources, such as grants, to help bridge a financial deficit.

In its 2015 Urban Water Management Plan, the City has established a *Water Shortage Contingency Plan* (WSCP). Beyond normal water supply conditions, the WSCP defines five stages of use supply reductions, as indicated below.

- ***Normal Supply*** – Under normal conditions the City has adequate water supplies to meet all customer water demands. Both water supply and demand could fluctuate by up to 5 percent without creating concern for the utility.
- ***Potential Shortage (Stage 1)*** – A potential shortage exists when water supplies are reduced from 5 to 10 percent from normal conditions. In this situation, the City would impose voluntary water use restrictions and encourage customers to reduce water demand commensurate with the limited water supply.
- ***Minor Shortage (Stage 2)*** – A minor shortage exists when water supplies are reduced from 10 to 20 percent from normal conditions. In this situation, the City would impose mandatory water use restrictions and encourage customers to reduce water demand commensurate with the limited water supply.
- ***Moderate Shortage (Stage 3)*** – A moderate shortage exists when water supplies are reduced from 20 to 30 percent from normal conditions. In this situation, the City would impose additional mandatory water use restrictions and require customers to reduce water demand commensurate with the limited water supply.
- ***Severe Shortage (Stage 4)*** – A severe shortage exists when water supplies are reduced from 30 to 50 percent from normal conditions. In this situation, the City would impose stricter mandatory water use restrictions and require customers to reduce water demand commensurate with the limited water supply.
- ***Critical Shortage (Stage 5)*** – A critical shortage exists when water supplies are reduced by more than 50 percent from normal conditions. In this situation, the City would impose the most stringent water use restrictions and require customers to reduce water demand commensurate with the limited water supply.

The California Legislature and the State Water Resources Control Board are in the process of developing new laws and regulations for implementing the Governor's order for expanding water conservation requirements as well as planning and preparing for future water shortages³. The new laws and regulations are evolving and the City may need to modify its WSCP once State regulations have been finalized.

Using the financial plan model, an analysis of the potential financial impacts of water shortages was performed. The analysis includes estimating the magnitude of reduced revenue, reduced costs, and increased costs that may be associated with various stages of water shortage. The analysis was performed using financial plan estimates for CY 2025, which is when all customers are expected to be on metered water rates. **Exhibit II-12** summarizes estimated CY 2025 operating revenues and water system costs under *normalized* water supply conditions and under various water shortage conditions. The shortage analysis starts with normal conditions whereby revenues and expenses are effectively in balance⁴. Under water shortage conditions, a financial deficit is likely to emerge and increases with increasing severity of drought conditions. **Exhibit II-13** graphically illustrates the financial deficit created by reduced water sales resulting from water shortage conditions as defined by the City's WSCP.

Exhibit II-14 graphically illustrates how the financial deficit created by reduced water sales could be bridged through a combination of actions. Under potential shortage conditions and voluntary use restrictions, the City would rely on its Operating Reserve to bridge the deficit gap. Under more significant conditions with mandatory use restrictions, the City would implement the proposed temporary water shortage rate surcharges to provide supplemental water rate revenue, thereby reducing the impact on reserves. Financial analysis indicates that it would not be necessary to reduce capital improvement program expenditures during minor and moderate shortage periods. However, in severe and critical conditions modest CIP deferrals may be necessary. By invoking the temporary water shortage surcharge during periods of mandatory use restrictions the City would provide customers with a financial incentive for meeting use reduction goals, and also preserve its water system reserves as protection against extended droughts or other risks. In addition, once reserves are drawn down, the City would be faced with having to replenish them, which may necessitate a subsequent rate increase (likely in excess of inflation rates) to re-establish financial stability.

³ See www.waterboards.ca.gov/water_issues/programs/conservation_portal/california_statutes.html for the most recent developments.

⁴ For the "Normal Supply" condition this analysis shows water operating revenue to be in balance with total costs, even though the costs may include contributions into or from financial reserves, as well as capital program funding. This balanced perspective is necessary to evaluate the impact shortage conditions with reduced water sales.

| Exhibit II-12 City of Lodi Strategy to Mitigate the Financial Impact of Water Shortage | | | | | | | | | | | | |
|---|------------------|-------------------|---|----------------|---------------|---------------|-------------------|----------------------|------------------------------------|---------------|------------------------------------|--|
| <i>Water Shortage Conditions</i> | Supply Reduction | | CY 2025 Financial Analysis (No Flat Rate Revenue) | | | | | | | | Temporary Water Shortage Surcharge | |
| | Low End of Range | High End of Range | Water Operating Revenue | Variable Costs | Fixed Costs | Total Costs | Financial Deficit | Reserve Contribution | Wtr. Short. Surcharge Contribution | CIP Deferrals | | |
| Normal Supply | 0% | 0% | \$ 20,221,100 | \$ 2,255,800 | \$ 17,965,300 | \$ 20,221,100 | \$ - | \$ - | \$ - | \$ - | None | |
| Potential Shortage | 5% | 10% | \$ 19,599,700 | \$ 2,030,200 | \$ 17,965,300 | \$ 19,995,500 | \$ (395,800) | \$ 395,800 | \$ - | \$ - | None | |
| Minor Shortage | 10% | 20% | \$ 18,978,400 | \$ 1,804,600 | \$ 17,965,300 | \$ 19,769,900 | \$ (791,500) | \$ 480,800 | \$ 310,700 | \$ - | 5% | |
| Moderate Shortage | 20% | 30% | \$ 18,357,000 | \$ 1,579,100 | \$ 17,965,300 | \$ 19,544,400 | \$ (1,187,400) | \$ 566,000 | \$ 621,400 | \$ - | 10% | |
| Severe Shortage | 30% | 50% | \$ 17,114,300 | \$ 1,127,900 | \$ 17,965,300 | \$ 19,093,200 | \$ (1,978,900) | \$ 796,800 | \$ 932,100 | \$ 250,000 | 15% | |
| Critical Shortage | 50% | 60% | \$ 16,492,900 | \$ 902,300 | \$ 17,965,300 | \$ 18,867,600 | \$ (2,374,700) | \$ 632,000 | \$ 1,242,700 | \$ 500,000 | 20% | |

Exhibit II-13
City of Lodi
Financial Impact of Water Shortage

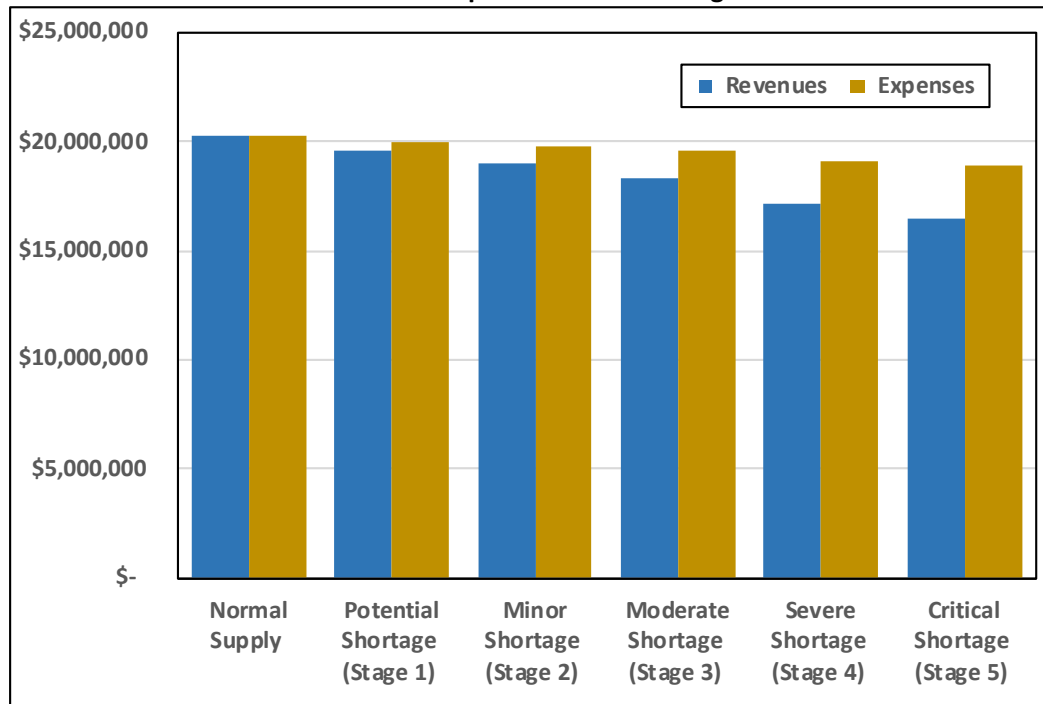
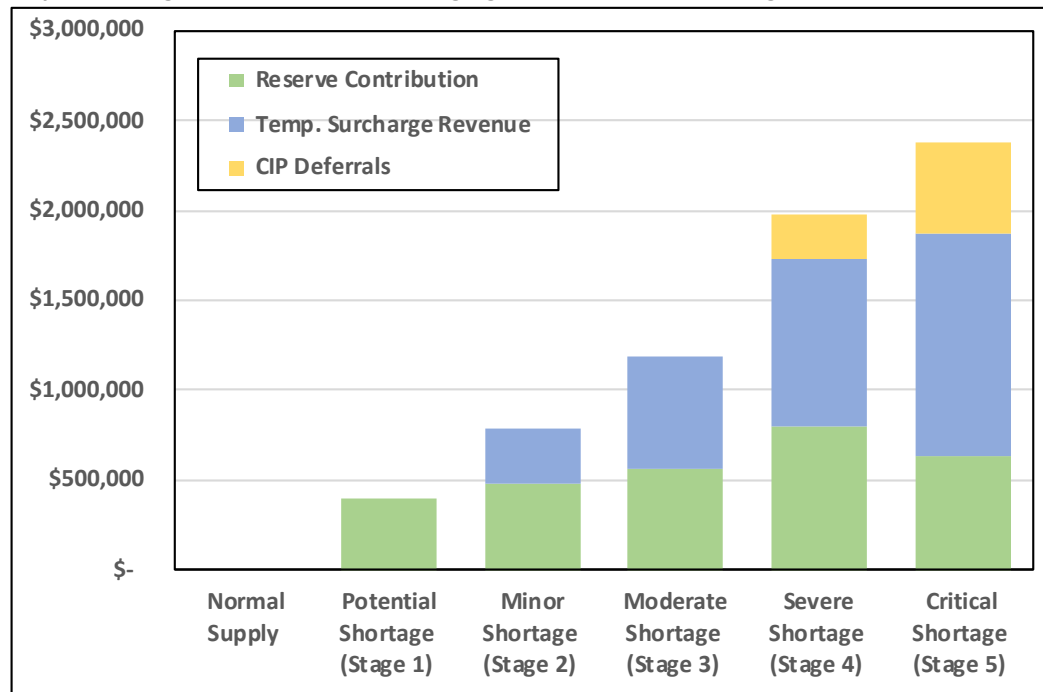


Exhibit II-14
City of Lodi
Example of Mitigation Measures for Bridging Financial Deficit During Periods of Water Shortage



Considering that droughts may extend over several years (as the most recent drought did) generating revenue through the shortage surcharge would help preserve the Operating Reserve and lessen the longer-term impact created by extended water shortage conditions. In effect, the temporary water shortage surcharges provide the City with an additional tool for managing the financial risk associated with water shortage conditions.

Adopting the water shortage rate surcharges (presented in Section III of this report) is an important step in providing a comprehensive strategy to protect the water utility's financial condition against the uncertainty associated with potential future drought conditions.

SECTION III. WATER RATES

This section of the report presents water rate recommendations and schedules for the next five years. The water system financial plan, presented in the previous section, was used to determine the annual water rate revenue requirements and to develop the strategy for meeting current and future financial obligations. As described in this section, no changes to the water rate structures are proposed at this time.

This section also presents recommendations for adopting a new temporary water shortage rate surcharge, which could be implemented in the event of a future drought or water shortage that necessitates mandatory water use restrictions and reductions in usage.

CURRENT WATER RATES

The current water rate schedule is summarized in **Exhibit III-1**. The City last adjusted its water rates in 2017. The last comprehensive water rate study occurred in 2013. The City is continuing to transition customers from flat (unmetered) water rates to usage-based (metered) water rates as the meter retrofit program continues. The City's goal is to have all customers on metered water rates by 2025.

Flat water rates include a fixed monthly charge for single family homes and multi-family dwelling units based on the number of bedrooms. A small number of non-residential accounts also pay flat water rates based on the number of equivalent dwelling units.

The metered water rates include a fixed monthly service charge based on the size of the water meter. Single family accounts are subject to a 3-tier usage rate structure and multi-family and non-residential accounts pay a uniform water usage rate. The tiered water usage rates for single family homes was originally developed in 2009. The tier structure reflects differences in water supply costs (groundwater and WID water) and provides a proportionate method of allocating costs that also helps to achieve the City's water conservation objectives. The uniform water usage rate applicable to multi-family and non-residential accounts is equal to the weighted average of the single family tier rates to ensure proportionality between customer classes. Tier rates were determined to not be suitable for multi-family and non-residential accounts due to the diversity of water use characteristics and the more complex and costly administrative requirements.

Minor refinements to the metered water rate structure were made as part of the 2013 update study. The rate structure was also reviewed in 2015 following the Appellate Court decision in *City of San Juan Capistrano v. Capistrano Taxpayers Association*.

At present, about 46 percent of metered water rate revenue is generated from water usage charges and about 54 percent from fixed service charges. Both flat and metered rates are generally performing as intended and each element of the water rate structures continues to reflect a proportionate allocation of costs to each customer based on estimated (unmetered) or actual (metered) usage as well as capacity and service requirements.

| Exhibit III-1 City of Lodi Current Water Rates (1) | | |
|---|----|----------|
| Monthly Flat Water Rates (Unmetered) | | |
| Single Family Residential | | |
| 1 bedroom | \$ | 32.84 |
| 2 bedroom | \$ | 39.44 |
| 3 bedroom | \$ | 47.27 |
| 4 bedroom | \$ | 56.79 |
| 5 bedroom | \$ | 68.11 |
| Multi-Family Units | | |
| 1 bedroom | \$ | 28.19 |
| 2 bedroom | \$ | 33.81 |
| 3 bedroom | \$ | 40.58 |
| 4 bedroom | \$ | 48.68 |
| Non-Residential | | |
| Per ESFU | \$ | 39.44 |
| Monthly Service Charges (Metered) | | |
| Up to 3/4" meter | \$ | 21.87 |
| 1" meter | \$ | 34.34 |
| 1 1/2" meter | \$ | 65.25 |
| 2" meter | \$ | 102.52 |
| 3" meter | \$ | 189.50 |
| 4" meter | \$ | 313.73 |
| 6" meter | \$ | 624.03 |
| 8" meter | \$ | 996.55 |
| 10" meter | \$ | 1,431.26 |
| Water Usage Rates (Metered) -- \$/CCF | | |
| Single Family Residential | | |
| Tier 1 (0-10 CCF) | \$ | 0.97 |
| Tier 2 (11-50 CCF) | \$ | 1.29 |
| Tier 3 (> 50 CCF) | \$ | 1.60 |
| Multi-Family | \$ | 1.15 |
| Non-Residential | \$ | 1.15 |
| Notes: | | |
| (1) Water rates were last adjusted in 2017 based on Resolution 2017-23. | | |

CONTINUING TRANSITION TO METERED WATER RATES

The City continues to install water meters on all unmetered water service connections. In FY 17-18, the City completed Phase 7 of the meter retrofit program. Phase 8 will commence in FY 19-20, followed by Stage 9 to install meters on apartment complexes and a small number of remaining non-residential accounts.

The City provides customers with water usage information and flat vs. metered water bill information prior to converting them to the metered water rates. Because of this lag between meter installation and metered billing, the final conversion to metered billing may not occur until January 2025. As described in the next section, customers are also converted

to metered wastewater usage rates. That wastewater billing conversion generally happens 18 months after the water billing conversion.

In general, most customers benefit from the transition to metered water and wastewater rates. This is because for most customers actual usage is somewhat less than the average usage on which flat rates have been based.

The transition to metered billing for multi-family apartment complexes will have a more significant impact on water rate revenue. Under the current flat rates, each dwelling unit is billed separately for water service. However, for a variety of reasons it is generally impractical and infeasible to install separate water meters on each apartment unit. Therefore, apartment complexes will generally have a single (or in some cases a few) master meters that serve the entire complex. Under the metered rate structure, in which service charges are based on meter sizes for each connection and usage charges based on actual usage and the uniform usage rate, water rate revenue from apartment complexes will likely be less than the aggregate flat rate revenue from billing individual units. While the financial plan analyses contained in this study incorporate estimates for this impact as the transition occurs, the actual impact will depend on the specific number and sizes of master meters installed as part of the meter retrofit program for multi-family customers.

PROPOSED MULTI-YEAR WATER RATE SCHEDULES

Exhibit III-2 summarizes proposed maximum flat and metered water rate schedules for rates to be effective in April 2019, as well as for each January from 2020 through 2023. The later years of this multi-year rate plan reflect the annual revenue requirements through FY 23-24, as well as the previously approved water rate rollback scheduled for January 2021, based on the water system financial plan presented in Section II of this report.

Continuing with recent practice, the City should adjust water rates annually based on changes in the ENR CCI, subject to a 3.0 percent annual cap. The rate schedules shown in Exhibit III-2 include 3.0 percent adjustments in future years (excluding the January 2021 rate rollback). Therefore, for the five-year Proposition 218 rate period, the schedules reflect the maximum amount of the water rates with each adjustment. If actual inflation is less than 3.0 percent, then the implemented schedules would be correspondingly lower.

As previously described, no rate structure changes are proposed at this time. However, it is recommended that the next rate study include a comprehensive cost of service update as all water meters will likely be installed by that time and the City will have more complete knowledge and understanding of water usage for all customers and customer classes, as well as more accurate information on the number and sizes of multi-family master meters.

| Exhibit III-2 | | | | | | | | | | |
|--|---------------------|-------------|---------------|---------------|---------------|---------------|---------------|----------|----|----------|
| City of Lodi | | | | | | | | | | |
| Current and Proposed Maximum Water Rate Schedules | | | | | | | | | | |
| | | Current (1) | Apr. 2019 (2) | Jan. 2020 (3) | Jan. 2021 (1) | Jan. 2022 (3) | Jan. 2023 (3) | | | |
| | Rate Adjustment --> | | 2.9% | 3.0% | -8.4% | 3.0% | 3.0% | | | |
| Monthly Flat Water Rates (Unmetered) | | | | | | | | | | |
| Single Family Residential | | | | | | | | | | |
| 1 bedroom | \$ | 32.84 | \$ | 33.79 | \$ | 31.88 | \$ | 32.84 | \$ | 33.83 |
| 2 bedroom | \$ | 39.44 | \$ | 40.58 | \$ | 38.29 | \$ | 39.44 | \$ | 40.62 |
| 3 bedroom | \$ | 47.27 | \$ | 48.64 | \$ | 45.89 | \$ | 47.27 | \$ | 48.69 |
| 4 bedroom | \$ | 56.79 | \$ | 58.44 | \$ | 55.14 | \$ | 56.79 | \$ | 58.49 |
| 5 bedroom | \$ | 68.11 | \$ | 70.09 | \$ | 66.13 | \$ | 68.11 | \$ | 70.15 |
| Multi-Family Units | | | | | | | | | | |
| 1 bedroom | \$ | 28.19 | \$ | 29.01 | \$ | 27.37 | \$ | 28.19 | \$ | 29.04 |
| 2 bedroom | \$ | 33.81 | \$ | 34.79 | \$ | 32.82 | \$ | 33.80 | \$ | 34.81 |
| 3 bedroom | \$ | 40.58 | \$ | 41.76 | \$ | 39.40 | \$ | 40.58 | \$ | 41.80 |
| 4 bedroom | \$ | 48.68 | \$ | 50.09 | \$ | 47.26 | \$ | 48.68 | \$ | 50.14 |
| Non-Residential | | | | | | | | | | |
| Per ESFU | \$ | 39.44 | \$ | 40.58 | \$ | 38.29 | \$ | 39.44 | \$ | 40.62 |
| Monthly Service Charges (Metered) | | | | | | | | | | |
| Up to 3/4" meter | \$ | 21.87 | \$ | 22.50 | \$ | 21.23 | \$ | 21.87 | \$ | 22.53 |
| 1" meter | \$ | 34.34 | \$ | 35.34 | \$ | 33.34 | \$ | 34.34 | \$ | 35.37 |
| 1 1/2" meter | \$ | 65.25 | \$ | 67.14 | \$ | 63.34 | \$ | 65.24 | \$ | 67.20 |
| 2" meter | \$ | 102.52 | \$ | 105.49 | \$ | 99.53 | \$ | 102.52 | \$ | 105.60 |
| 3" meter | \$ | 189.50 | \$ | 195.00 | \$ | 183.98 | \$ | 189.50 | \$ | 195.19 |
| 4" meter | \$ | 313.73 | \$ | 322.83 | \$ | 304.59 | \$ | 313.73 | \$ | 323.14 |
| 6" meter | \$ | 624.03 | \$ | 642.13 | \$ | 605.85 | \$ | 624.03 | \$ | 642.75 |
| 8" meter | \$ | 996.55 | \$ | 1,025.45 | \$ | 967.52 | \$ | 996.55 | \$ | 1,026.45 |
| 10" meter | \$ | 1,431.26 | \$ | 1,472.77 | \$ | 1,389.57 | \$ | 1,431.26 | \$ | 1,474.20 |
| Water Usage Rates (Metered) -- \$/CCF | | | | | | | | | | |
| Single Family Residential | | | | | | | | | | |
| Tier 1 (0-10 CCF) | \$ | 0.97 | \$ | 1.00 | \$ | 0.94 | \$ | 0.97 | \$ | 1.00 |
| Tier 2 (11-50 CCF) | \$ | 1.29 | \$ | 1.33 | \$ | 1.25 | \$ | 1.29 | \$ | 1.33 |
| Tier 3 (> 50 CCF) | \$ | 1.60 | \$ | 1.65 | \$ | 1.56 | \$ | 1.61 | \$ | 1.66 |
| Multi-Family | \$ | 1.15 | \$ | 1.18 | \$ | 1.12 | \$ | 1.15 | \$ | 1.18 |
| Non-Residential | \$ | 1.15 | \$ | 1.18 | \$ | 1.12 | \$ | 1.15 | \$ | 1.18 |
| Notes: | | | | | | | | | | |
| (1) Water rates were last adjusted in 2017 based on Resolution 2017-23, which includes a rate rollback in January 2021 to the water rates that were in effect in 2016. | | | | | | | | | | |
| (2) Annual change in ENR 20-Cities Construction Cost Index for 2018 (based on Dec. 2017 to Dec. 2018). | | | | | | | | | | |
| (3) Estimated adjustments based on the annual change in the ENR index each September 30, subject to 3.0% cap. | | | | | | | | | | |

WATER SHORTAGE RATE SURCHARGES

To help encourage water conservation and to help bridge the financial deficit created by a water shortage, it is recommended that the City adopt temporary water shortage surcharges that would be implemented under specified water shortage conditions. The temporary water shortage rate surcharges would be incremental increases in the water usage rates. Even though the water shortage surcharges represent an increase in the water rates, total water rate revenue could still decline with reduced water sales as water shortage conditions worsen. That is, the supplemental revenue generated through the water shortage rate surcharges would only partially bridge the deficit gap created by drought and reduced water sales.

As described in Section II of this report, a multi-pronged approach to addressing financial strain caused by water supply shortages and reduced water is suggested. While the utility can use a portion of Operating Reserves in a potential shortage condition, with voluntary use restrictions, temporary water shortage rate surcharges are recommended for conditions that warrant mandatory water use restrictions (i.e., minor, moderate, severe, and critical conditions, as defined). Under these conditions, the estimated financial deficit created by water shortage conditions is largely recovered through a temporary water shortage surcharge from customers in proportion to each customer's water usage. In short, the calculation ensures that each customer bears a proportionate share of the costs associated with water shortage conditions. The temporary water shortage rate surcharges have been specifically designed such that customers that meet water use reduction goals will have lower water bills with the water shortage rate surcharges than they would with normal water usage and normal water rates. Customers that do not meet water use reduction goals may pay more for water service because of the water shortage rate surcharges.

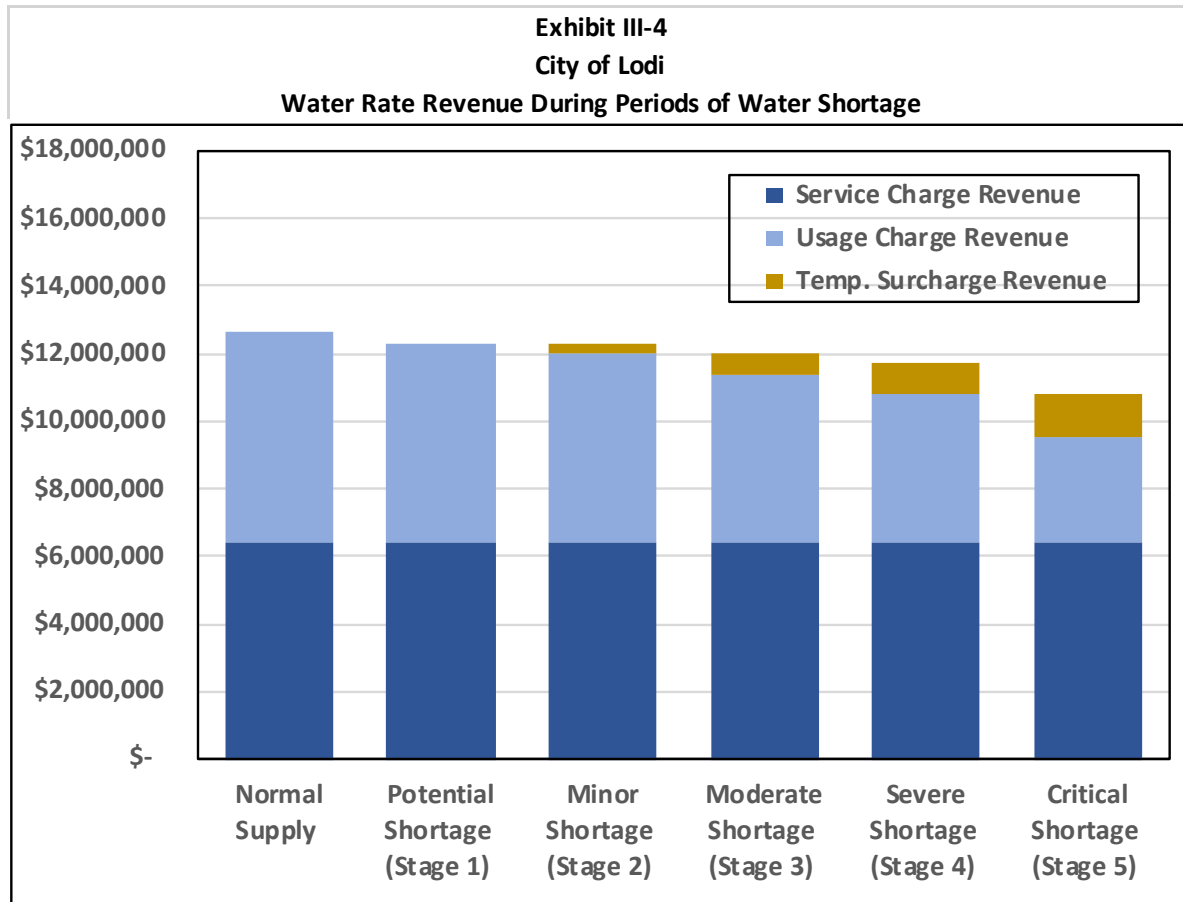
Exhibit III-3 presents the proposed April 2019 water usage rate schedule supplemented with the temporary water shortage rate surcharges. As an example, Tier 1 of residential water usage rates would increase from \$1.00 per CCF to \$1.05 per CCF under Minor Shortage conditions (i.e., a 5 percent surcharge when water use reductions of 10 to 20 percent are necessary). Because the water shortage rate surcharge would only apply to the water usage rates (and not the fixed monthly service charges or flat rates) the impact on the total water bill is substantially mitigated. In addition, the temporary water shortage surcharges would only be required during periods of mandatory use restrictions, but not in normal or potential shortage conditions with a use reduction of up to 10 percent.

The temporary water shortage rate surcharge is not intended to be a penalty for excessive use; rather it represents each customer's fair share of the cost of partially bridging the financial deficit created by reduced water sales during periods of water shortage. Customers would participate in bearing this cost in proportion to their water use. During this time, the portion of the Operating Reserve would also be used to help close the financial deficit gap cause by reduced water sales.

| Exhibit III-3 City of Lodi Proposed Temporary Water Shortage Rate Surcharges | | | | | | | | | |
|---|--------------------------------|--------------------------------------|----------------------------------|-------------------------------------|-----------------------------------|-------------------------------------|--|--|--|
| | Normal Supply Conditions | Potential Shortage (Voluntary) | Minor Shortage (Mandatory) | Moderate Shortage (Mandatory) | Severe Shortage (Mandatory) | Critical Shortage (Mandatory) | | | |
| Use Reduction Goal --> | None | 5% to 10% | 10% to 20% | 20% to 30% | 30% to 50% | > 50% | | | |
| Temp. Water Shortage Surcharge (2) | None | None | 5% | 10% | 15% | 20% | | | |
| Monthly Service Charges | | | | | | | | | |
| Up to 3/4" meter | \$ 22.50 | No Changes to Service Charges | | | | | | | |
| 1" meter | \$ 35.34 | | | | | | | | |
| 1 1/2" meter | \$ 67.14 | | | | | | | | |
| 2" meter | \$ 105.49 | | | | | | | | |
| 3" meter | \$ 195.00 | | | | | | | | |
| 4" meter | \$ 322.83 | | | | | | | | |
| 6" meter | \$ 642.13 | | | | | | | | |
| 8" meter | \$ 1,025.45 | | | | | | | | |
| 10" meter | \$ 1,472.77 | | | | | | | | |
| Water Usage Rates (\$/CCF) (3) | | | | | | | | | |
| Single Family Residential | | | | | | | | | |
| Tier 1 (0-10 CCF) | \$ 1.00 | \$ 1.00 | \$ 1.05 | \$ 1.10 | \$ 1.15 | \$ 1.20 | | | |
| Tier 2 (11-50 CCF) | \$ 1.33 | \$ 1.33 | \$ 1.40 | \$ 1.46 | \$ 1.53 | \$ 1.60 | | | |
| Tier 3 (> 50 CCF) | \$ 1.65 | \$ 1.65 | \$ 1.73 | \$ 1.82 | \$ 1.90 | \$ 1.98 | | | |
| Multi-Family | \$ 1.18 | \$ 1.18 | \$ 1.24 | \$ 1.30 | \$ 1.36 | \$ 1.42 | | | |
| Non-Residential | \$ 1.18 | \$ 1.18 | \$ 1.24 | \$ 1.30 | \$ 1.36 | \$ 1.42 | | | |
| Notes: | | | | | | | | | |
| (1) The temporary water shoratge rate surcharge percentages are shown applied to the proposed water usage rates for April 2019 for illustrative purposes. The percentages would be applied to any then-current water usage rates when implemented by declaration of a water shortage by the City Council. | | | | | | | | | |
| (2) The temporary water shortage rate surcharge would be an incremental (percentage) increase in the water usage rates, but would not be applied to monthly service charges or to any flat water rates for unmetered customers. | | | | | | | | | |
| (3) The water usage rates shown for Minor through Critical shortage conditions incorporate the temporary water shortage rate surcharges. | | | | | | | | | |

Water shortage rate surcharges would provide moderate supplemental revenue for addressing water supply shortages and the resulting reduced water demand. As illustrated graphically in **Exhibit III-4**, the water shortage rate surcharge revenue only partially replaces lost revenue due to reduced water sales. As a result, even with the water shortage rate surcharges, the proposed water rates for water shortage conditions are less than the total cost of providing water service. The information in Exhibit III-4 reflects revenue estimates based on the application of water shortage rate surcharges in 2025, which is the point in time when all customers are expected to be on metered water rates.

If adopted, the temporary water shortage rate surcharges would be implemented when water shortage conditions necessitate water use reductions exceeding 10 percent, and would depend on the specific stage of shortage, as declared by the City Council. The temporary surcharges would continue only as long as the shortage conditions exist. When the shortage is declared over, then the water shortage rate surcharges would be discontinued.



Bill Impacts of Water Shortage Rate Surcharges

Water shortage rate surcharges have been specifically designed such that customers achieving required water use reduction goals will have lower water bills than they would with normal water rates and normal water usage. Customers that do not meet water use reduction goals may have higher water bills. Because the temporary water shortage rate surcharges apply to all water usage, all metered rate customers will participate in bridging the financial gap created by water shortage. Of course, those customers that use the least amount of water or conserve the most will pay less through the water shortage rate surcharges.

Exhibit III-5 illustrates how a typical single family customer would be affected by the water shortage rate surcharges across various shortage conditions. Monthly water bills are shown for customers that, under normal conditions, use 15 CCF monthly. Water bills are calculated for customers meeting requested water use reduction goals, and customers that do not conserve at all.

| Exhibit III-5 City of Lodi Bill Impacts of Temporary Water Shortage Rate Surcharges | | | | | | | |
|---|--------------------------|-------------------------|------------------------|--------------------|--------------------------|------------------|---------------------------|
| Water Shortage Stage | Water Use Reduction Goal | Monthly Water Use (CCF) | Monthly Service Charge | Water Usage Charge | Water Shortage Surcharge | Total Water Bill | % Change from Normal Bill |
| Average Single Family Customer Meeting Reduction Goals | | | | | | | |
| Normal Supply | None | 15 | \$ 22.50 | \$ 16.65 | \$ - | \$ 39.15 | |
| Potential Shortage | 5% to 10% | 14 | \$ 22.50 | \$ 15.32 | \$ - | \$ 37.82 | -3.4% |
| Minor Shortage | 10% to 20% | 13 | \$ 22.50 | \$ 13.99 | \$ 0.70 | \$ 37.19 | -5.0% |
| Moderate Shortage | 20% to 30% | 12 | \$ 22.50 | \$ 12.66 | \$ 1.27 | \$ 36.43 | -7.0% |
| Severe Shortage | 30% to 50% | 10 | \$ 22.50 | \$ 10.00 | \$ 1.50 | \$ 34.00 | -13.2% |
| Critical Shortage | > 50% | 7 | \$ 22.50 | \$ 7.00 | \$ 1.40 | \$ 30.90 | -21.1% |
| Average Single Family Customer NOT Meeting Reduction Goals | | | | | | | |
| Normal Supply | None | 15 | \$ 22.50 | \$ 16.65 | \$ - | \$ 39.15 | |
| Potential Shortage | 5% to 10% | 15 | \$ 22.50 | \$ 16.65 | \$ - | \$ 39.15 | 0.0% |
| Minor Shortage | 10% to 20% | 15 | \$ 22.50 | \$ 16.65 | \$ 0.83 | \$ 39.98 | 2.1% |
| Moderate Shortage | 20% to 30% | 15 | \$ 22.50 | \$ 16.65 | \$ 1.67 | \$ 40.82 | 4.3% |
| Severe Shortage | 30% to 50% | 15 | \$ 22.50 | \$ 16.65 | \$ 2.50 | \$ 41.65 | 6.4% |
| Critical Shortage | > 50% | 15 | \$ 22.50 | \$ 16.65 | \$ 3.33 | \$ 42.48 | 8.5% |

SECTION IV. WASTEWATER RATES

This section of the report presents wastewater rate recommendations and schedules for the next five years. The wastewater system financial plan, presented in Section II of this report, was used to determine the annual wastewater rate revenue requirements and to develop the strategy for meeting current and future financial obligations. As described in this section, no changes to the wastewater rate structures are proposed at this time.

CURRENT WASTEWATER RATES

The current wastewater rate schedule is summarized in **Exhibit IV-1**. The City last adjusted its wastewater rates in July 2016. The last comprehensive wastewater rate study occurred in 2013. The City is continuing to transition customers from flat (unmetered) wastewater rates to usage-based (metered) wastewater rates as the meter retrofit program continues. The City's goal is to have all customers on metered wastewater rates by July 2026.

Flat wastewater rates include a fixed monthly charge for single family homes and multi-family dwelling units based on the number of bedrooms. Most non-residential accounts also pay flat wastewater rates based on the number of sanitary sewer units (SSUs) for each account, as determined by City staff. One SSU is equivalent to a two-bedroom single family home. All flat wastewater rates will be phased out as the installation of water meters is completed.

The metered wastewater rates include a fixed monthly service charged based on the size of the water meter and a usage rate based on winter water usage. Winter water usage is used for sewer flow estimation since irrigation usage is minimized during this time period and winter usage reasonably reflects the amount of ongoing water usage that ends up in the sewer system. The City uses the average monthly water usage from December through February for determining the average winter water usage, and hence the estimated monthly sewer flow. In July of each year, a monthly charge is calculated for each customer that includes both the fixed service charge and a usage charge based on the averaged winter water usage and the uniform wastewater usage rate. That charge is then billed monthly for the ensuing 12-month period.

The City has a small number of large industrial customers (primarily food processing). Each of these customers pays for wastewater service based on actual wastewater flows and loading characteristics. Industrial rates for discharging into the City's domestic sewer collection system are included in Exhibit IV-1. Separate (lower) rates apply to the few industrial users that discharge into the industrial line, which requires less treatment.

At present, tenants of unmetered multi-family apartments are individually billed for water and wastewater services. As water meters are installed the billing for these services will be transferred from tenants to property owners. As described in the previous section, it is impractical and infeasible to install water meters on each dwelling unit and one or a few master meters will be needed for each apartment complex.

| Exhibit IV-1 | | |
|---|----|----------|
| City of Lodi | | |
| Current Wastewater Rates (1) | | |
| Monthly Flat Water Rates (Unmetered) | | |
| Single Family and Multi-Family Residential Dwelling Units | | |
| 1 bedroom | \$ | 27.90 |
| 2 bedroom | \$ | 37.20 |
| 3 bedroom | \$ | 46.49 |
| 4 bedroom | \$ | 55.79 |
| 5 bedroom | \$ | 65.09 |
| Mobile Homes | | |
| Any Size | \$ | 27.90 |
| Schools | | |
| Per SSU (18 students = 1 SSU) | \$ | 36.18 |
| Non-Residential | | |
| Per SFU | \$ | 37.20 |
| Monthly Service Charges (Metered) | | |
| Up to 3/4" meter | \$ | 25.40 |
| 1" meter | \$ | 40.92 |
| 1 1/2" meter | \$ | 79.06 |
| 2" meter | \$ | 124.33 |
| 3" meter | \$ | 232.29 |
| 4" meter | \$ | 385.52 |
| 6" meter | \$ | 768.28 |
| 8" meter | \$ | 1,227.76 |
| Wastewater Usage Rates (Metered) | | |
| All Customers, Except High Strength | | |
| Usage Rate (\$/CCF of water use) | \$ | 2.89 |
| High Strength Users | | |
| Flow (per MG annually) | \$ | 3,730.00 |
| BOD (per 1,000 lbs annually) | \$ | 616.00 |
| SS (per 1,000 lbs annually) | \$ | 385.00 |
| Notes: | | |
| (1) Wastewater rates were last adjusted in 2016 based on Resolution 2016-109. | | |

CONTINUING TRANSITION TO METERED WASTEWATER RATES

The City continues to install water meters on all unmetered water service connections. In FY 17-18, the City completed Phase 7 of the meter retrofit program. Phase 8 will commence in FY 19-20, followed by Stage 9 to install meters on apartment complexes and a small number of remaining non-residential accounts.

The conversion to metered wastewater billing lags the conversion for water billing by 18 months. This gives customers plenty of time to become familiar with their own water usage and modify practices, if needed, to limit bill amounts. Because of this lag between meter

installation and metered billing, the final conversion to metered wastewater billing may not occur until July 2026.

In general, most customers benefit from the transition to metered water and wastewater rates. This is because for most customers actual usage is somewhat less than the average usage on which flat rates have been based.

As with water billing, the transition to wastewater metered billing for multi-family apartment complexes will have a more significant impact on wastewater rate revenue. Under the current flat rates, each dwelling unit is billed separately for wastewater service. However, for a variety of reasons it is generally impractical and infeasible to install separate water meters on each apartment unit. Therefore, apartment complexes will generally have a single (or in some cases a few) master meters that serve the entire complex. Under the metered rate structure, in which service charges are based on meter sizes for each connection and usage charges based on actual usage and the uniform usage rate, wastewater rate revenue from apartment complexes will likely be less than the aggregate flat rate revenue from billing individual units. While the financial plan analyses contained in this study incorporate estimates for this impact as the transition occurs, the actual impact will depend on the specific number and sizes of master meters installed as part of the meter retrofit program for multi-family customers.

PROPOSED MULTI-YEAR WATER RATE SCHEDULES

Exhibit IV-2 summarizes proposed maximum flat and metered wastewater rate schedules for rates to be effective in July 2019, as well as for each July from 2020 through 2023. The later years of this multi-year rate plan reflect the annual revenue requirements through FY 23-24 based on the wastewater system financial plan presented in Section II of this report.

Continuing with recent practice, the City should adjust wastewater rates annually based on changes in the ENR CCI, subject to a 3.0 percent annual cap. The rate schedules shown in Exhibit IV-2 include 3.0 percent adjustments in future years. Therefore, for the five-year Proposition 218 rate period, the schedules reflect the maximum amount of the wastewater rates with each adjustment. If actual inflation is less than 3.0 percent, then the implemented schedules would be correspondingly lower.

As previously described, no rate structure changes are proposed at this time. However, it is recommended that the next rate study include a comprehensive cost of service update as all water meters will likely be installed by that time and the City will have more complete knowledge and understanding of water usage for all customers and customer classes, as well as more accurate information on the number and sizes of multi-family master meters. This would also be an appropriate time to examine the wastewater rates applicable to all non-residential accounts. Beyond the special rates for high strength industrial customers (e.g., food processors), many utilities have non-residential wastewater rates based on strength characteristics (e.g., low, medium, and high categories) for the variety of business categories that exist within their jurisdiction.

| Exhibit IV-2 City of Lodi Current and Proposed Maximum Wastewater Rate Schedules | | | | | | | | |
|---|-------------|---------------|---------------|---------------|---------------|---------------|--|--|
| | Current (1) | Jul. 2019 (2) | Jul. 2020 (3) | Jul. 2021 (3) | Jul. 2022 (3) | Jul. 2023 (3) | | |
| Rate Adjustments --> | | 2.9% | 3.0% | 3.0% | 3.0% | 3.0% | | |
| Monthly Flat Water Rates (Unmetered) | | | | | | | | |
| Single Family and Multi-Family Residential Dwelling Units | | | | | | | | |
| 1 bedroom | \$ 27.90 | \$ 28.71 | \$ 29.57 | \$ 30.46 | \$ 31.37 | \$ 32.31 | | |
| 2 bedroom | \$ 37.20 | \$ 38.28 | \$ 39.43 | \$ 40.61 | \$ 41.83 | \$ 43.08 | | |
| 3 bedroom | \$ 46.49 | \$ 47.84 | \$ 49.28 | \$ 50.76 | \$ 52.28 | \$ 53.85 | | |
| 4 bedroom | \$ 55.79 | \$ 57.41 | \$ 59.13 | \$ 60.90 | \$ 62.73 | \$ 64.61 | | |
| 5 bedroom | \$ 65.09 | \$ 66.98 | \$ 68.99 | \$ 71.06 | \$ 73.19 | \$ 75.39 | | |
| Mobile Homes | | | | | | | | |
| Any Size | \$ 27.90 | \$ 28.71 | \$ 29.57 | \$ 30.46 | \$ 31.37 | \$ 32.31 | | |
| Schools | | | | | | | | |
| Per SSU (18 students = 1 SSU) | \$ 27.90 | \$ 28.71 | \$ 29.57 | \$ 30.46 | \$ 31.37 | \$ 32.31 | | |
| Non-Residential | | | | | | | | |
| Per SFU | \$ 37.20 | \$ 38.28 | \$ 39.43 | \$ 40.61 | \$ 41.83 | \$ 43.08 | | |
| Monthly Service Charges (Metered) | | | | | | | | |
| Up to 3/4" meter | \$ 25.40 | \$ 26.14 | \$ 26.92 | \$ 27.73 | \$ 28.56 | \$ 29.42 | | |
| 1" meter | \$ 40.92 | \$ 42.11 | \$ 43.37 | \$ 44.67 | \$ 46.01 | \$ 47.39 | | |
| 1 1/2" meter | \$ 79.06 | \$ 81.35 | \$ 83.79 | \$ 86.30 | \$ 88.89 | \$ 91.56 | | |
| 2" meter | \$ 124.33 | \$ 127.94 | \$ 131.78 | \$ 135.73 | \$ 139.80 | \$ 143.99 | | |
| 3" meter | \$ 232.29 | \$ 239.03 | \$ 246.20 | \$ 253.59 | \$ 261.20 | \$ 269.04 | | |
| 4" meter | \$ 385.52 | \$ 396.70 | \$ 408.60 | \$ 420.86 | \$ 433.49 | \$ 446.49 | | |
| 6" meter | \$ 768.28 | \$ 790.56 | \$ 814.28 | \$ 838.71 | \$ 863.87 | \$ 889.79 | | |
| 8" meter | \$ 1,227.76 | \$ 1,263.37 | \$ 1,301.27 | \$ 1,340.31 | \$ 1,380.52 | \$ 1,421.94 | | |
| Wastewater Usage Rates (Metered) | | | | | | | | |
| All Customers, Except High Strength | | | | | | | | |
| Usage Rate (\$/CCF of water use) | \$ 2.89 | \$ 2.97 | \$ 3.06 | \$ 3.15 | \$ 3.24 | \$ 3.34 | | |
| High Strength Users | | | | | | | | |
| Flow (per MG annually) | \$ 3,730.00 | \$ 3,838.17 | \$ 3,953.32 | \$ 4,071.92 | \$ 4,194.08 | \$ 4,319.90 | | |
| BOD (per 1,000 lbs annually) | \$ 616.00 | \$ 633.86 | \$ 652.88 | \$ 672.47 | \$ 692.64 | \$ 713.42 | | |
| SS (per 1,000 lbs annually) | \$ 385.00 | \$ 396.17 | \$ 408.06 | \$ 420.30 | \$ 432.91 | \$ 445.90 | | |
| Notes: | | | | | | | | |
| (1) Wastewater rates were last adusted in 2016 based on Resolution 2016-109. | | | | | | | | |
| (2) Annual change in ENR 20-Cities Construction Cost Index for 2018 (based on Dec. 2017 to Dec. 2018). | | | | | | | | |
| (3) Estimated adjustments based on the annual change in the ENR index each April 30, subject to 3.0% cap. | | | | | | | | |

Exhibit II-8
City of Lodi
Water System Financial Plan

| | FY 17-18 | FY 18-19 | FY 19-20 | FY 20-21 | FY 21-22 | FY 22-23 | FY 23-24 | FY 24-25 | FY 25-26 | FY 26-27 | FY 27-28 | FY 28-29 | FY 29-30 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Rate Adjustments --> | 2.9% | 3.0% | 3.0% | -8.4% | 3.0% | 3.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% |
| | April | January | January | January | January | January | January | January | January | January | January | January | January |
| WATER OPERATING FUND (FUND 560) | | | | | | | | | | | | | |
| Beginning Balance | \$ 3,597,764 | \$ 3,226,236 | \$5,299,000 | \$2,300,200 | \$3,218,900 | \$3,661,100 | \$4,368,900 | \$6,178,100 | \$4,865,700 | \$4,999,700 | \$5,990,200 | \$6,359,000 | \$6,747,800 |
| Operating Revenues | | | | | | | | | | | | | |
| Flat Rate Revenue | \$ 3,574,000 | \$ 3,600,000 | \$ 3,498,000 | \$ 2,955,000 | \$ 2,630,000 | \$ 2,304,000 | \$ 1,464,000 | \$ 495,000 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Service Charge Revenue | \$ 5,009,000 | \$ 5,079,000 | \$ 5,446,000 | \$ 5,570,000 | \$ 5,575,000 | \$ 6,000,000 | \$ 6,511,000 | \$ 6,900,000 | \$ 7,195,000 | \$ 7,392,000 | \$ 7,595,000 | \$ 7,803,000 | \$ 7,987,000 |
| Usage Charge Revenue | \$ 4,422,023 | \$ 4,345,000 | \$ 4,773,000 | \$ 4,905,000 | \$ 4,845,000 | \$ 5,150,000 | \$ 5,722,000 | \$ 6,414,000 | \$ 6,903,000 | \$ 7,070,000 | \$ 7,249,000 | \$ 7,445,000 | \$ 7,626,000 |
| BABs Subsidy | \$ 609,966 | \$ 662,040 | \$ 662,000 | \$ 662,000 | \$ 662,000 | \$ 643,200 | \$ 622,800 | \$ 601,000 | \$ 577,700 | \$ 550,100 | \$ 521,300 | \$ 491,400 | \$ 460,200 |
| Miscellaneous Revenue | \$ 384,741 | \$ 384,700 | \$ 377,300 | \$ 377,300 | \$ 377,300 | \$ 377,300 | \$ 377,300 | \$ 377,300 | \$ 377,300 | \$ 377,300 | \$ 377,300 | \$ 377,300 | \$ 377,300 |
| Interest Earnings | \$ 47,005 | \$ 158,000 | \$ 159,000 | \$ 69,000 | \$ 96,600 | \$ 109,800 | \$ 131,100 | \$ 185,300 | \$ 146,000 | \$ 150,000 | \$ 179,700 | \$ 190,800 | \$ 202,400 |
| Total Operating Revenues | \$ 14,046,734 | \$ 14,228,740 | \$ 14,915,300 | \$ 14,538,300 | \$ 14,185,900 | \$ 14,584,300 | \$ 14,828,200 | \$ 14,972,600 | \$ 15,199,000 | \$ 15,539,400 | \$ 15,922,300 | \$ 16,307,500 | \$ 16,652,900 |
| Operating Expenses and Transfers | | | | | | | | | | | | | |
| Water Administration | \$ 1,412,525 | \$ 1,667,230 | \$ 1,717,300 | \$ 1,768,500 | \$ 1,821,300 | \$ 1,875,500 | \$ 1,931,500 | \$ 1,988,900 | \$ 2,048,400 | \$ 2,109,400 | \$ 2,172,400 | \$ 2,237,200 | \$ 2,303,700 |
| WID Water Purchases | \$ 1,429,421 | \$ 1,448,451 | \$ 1,487,900 | \$ 1,528,400 | \$ 1,570,000 | \$ 1,612,800 | \$ 1,656,800 | \$ 1,703,500 | \$ 1,751,500 | \$ 1,802,200 | \$ 1,854,400 | \$ 1,908,000 | \$ 1,963,200 |
| Operating Transfer Out | \$ 820,560 | \$ 821,900 | \$ 846,600 | \$ 872,000 | \$ 898,200 | \$ 925,100 | \$ 952,900 | \$ 981,500 | \$ 1,010,900 | \$ 1,041,200 | \$ 1,072,400 | \$ 1,104,600 | \$ 1,137,700 |
| Damage to Property | \$ - | \$ 4,080 | \$ 4,200 | \$ 4,300 | \$ 4,400 | \$ 4,500 | \$ 4,600 | \$ 4,700 | \$ 4,800 | \$ 4,900 | \$ 5,000 | \$ 5,100 | \$ 5,200 |
| Water Production | \$ 553,542 | \$ 694,100 | \$ 715,100 | \$ 736,600 | \$ 758,600 | \$ 781,300 | \$ 804,700 | \$ 828,700 | \$ 853,400 | \$ 879,200 | \$ 905,500 | \$ 932,600 | \$ 960,400 |
| Electricity | \$ 312,188 | \$ 292,920 | \$ 303,800 | \$ 315,100 | \$ 326,900 | \$ 339,100 | \$ 351,800 | \$ 365,300 | \$ 379,300 | \$ 394,100 | \$ 409,500 | \$ 425,500 | \$ 442,100 |
| Water Distribution | \$ 950,750 | \$ 1,050,000 | \$ 1,081,400 | \$ 1,113,800 | \$ 1,147,100 | \$ 1,181,400 | \$ 1,216,700 | \$ 1,253,000 | \$ 1,290,200 | \$ 1,328,900 | \$ 1,368,700 | \$ 1,409,600 | \$ 1,451,600 |
| Surface Water Treatment Facility | \$ 1,253,687 | \$ 1,617,590 | \$ 1,666,100 | \$ 1,715,700 | \$ 1,766,600 | \$ 1,819,100 | \$ 1,873,000 | \$ 1,928,500 | \$ 1,985,700 | \$ 2,044,700 | \$ 2,105,500 | \$ 2,168,200 | \$ 2,232,600 |
| Electricity | \$ 165,393 | \$ 150,000 | \$ 155,600 | \$ 161,400 | \$ 167,400 | \$ 173,600 | \$ 180,100 | \$ 187,000 | \$ 194,200 | \$ 201,800 | \$ 209,700 | \$ 217,900 | \$ 226,400 |
| Water Conservation | \$ 83,884 | \$ 147,440 | \$ 151,700 | \$ 156,100 | \$ 160,700 | \$ 165,300 | \$ 170,100 | \$ 175,100 | \$ 180,100 | \$ 185,300 | \$ 190,700 | \$ 196,200 | \$ 202,000 |
| DBCP | \$ 77,416 | \$ 67,540 | \$ 69,600 | \$ 71,700 | \$ 73,900 | \$ 76,100 | \$ 78,300 | \$ 80,500 | \$ 83,000 | \$ 85,600 | \$ 88,200 | \$ 90,900 | \$ 93,600 |
| Debt Service | \$ 2,967,656 | \$ 2,969,156 | \$ 2,969,756 | \$ 2,967,956 | \$ 2,966,556 | \$ 2,952,656 | \$ 2,929,520 | \$ 2,907,259 | \$ 2,885,452 | \$ 2,856,572 | \$ 2,829,500 | \$ 2,798,914 | \$ 2,764,815 |
| Transfer to Capital Fund (Fund 561) | \$ 3,868,331 | \$1,225,590 | \$ 6,745,000 | \$ 2,208,000 | \$ 2,082,000 | \$ 1,970,000 | \$ 869,000 | \$ 3,881,000 | \$ 2,398,000 | \$ 1,615,000 | \$ 2,342,000 | \$ 2,424,000 | \$ 2,789,000 |
| Total Oper. Expenses and Transfers | \$ 13,895,353 | \$ 12,155,997 | \$ 17,914,056 | \$ 13,619,556 | \$ 13,743,656 | \$ 13,876,456 | \$ 13,019,020 | \$ 16,284,959 | \$ 15,064,952 | \$ 14,548,872 | \$ 15,553,500 | \$ 15,918,714 | \$ 16,572,315 |
| Ending Balance | \$ 3,749,145 | \$ 5,298,979 | \$ 2,300,244 | \$ 3,218,944 | \$ 3,661,144 | \$ 4,368,944 | \$ 6,178,081 | \$ 4,865,742 | \$ 4,999,748 | \$ 5,990,228 | \$ 6,359,001 | \$ 6,747,786 | \$ 6,828,385 |
| Operating Reserve (50%) | \$ 5,014,000 | \$ 5,465,000 | \$ 5,585,000 | \$ 5,706,000 | \$ 5,831,000 | \$ 5,953,000 | \$ 6,075,000 | \$ 6,202,000 | \$ 6,333,000 | \$ 6,467,000 | \$ 6,606,000 | \$ 6,747,000 | \$ 6,892,000 |
| Available Funds | \$ (1,264,855) | \$ (166,021) | \$ (3,284,756) | \$ (2,487,056) | \$ (2,169,856) | \$ (1,584,056) | \$ 103,081 | \$ (1,336,259) | \$ (1,333,252) | \$ (476,772) | \$ (247,000) | \$ 786 | \$ (63,615) |
| Debt Service Coverage (min. 1.25) | \$ 2.48 | \$ 2.27 | \$ 2.46 | \$ 2.25 | \$ 2.06 | \$ 2.13 | \$ 2.13 | \$ 2.11 | \$ 2.12 | \$ 2.18 | \$ 2.24 | \$ 2.31 | \$ 2.37 |

WATER CAPITAL FUND (FUND 561)

| | | | | | | | | | | | | | | |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-------------|
| Beginning Balance | \$ 95,079 | \$ 144,410 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Revenues and Transfers In | | | | | | | | | | | | | | |
| Interest Earnings | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Transfer from Operating Fund | \$ 3,868,331 | \$ 1,225,590 | \$ 6,745,000 | \$ 2,208,000 | \$ 2,082,000 | \$ 1,970,000 | \$ 869,000 | \$ 3,881,000 | \$ 2,398,000 | \$ 1,615,000 | \$ 2,342,000 | \$ 2,424,000 | \$ 2,789,000 | |
| Transfer from Water IMF Fund | \$ - | \$ - | \$ 950,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Revenues and Transfers In | \$ 3,868,331 | \$ 1,225,590 | \$ 7,695,000 | \$ 2,208,000 | \$ 2,082,000 | \$ 1,970,000 | \$ 869,000 | \$ 3,881,000 | \$ 2,398,000 | \$ 1,615,000 | \$ 2,342,000 | \$ 2,424,000 | \$ 2,789,000 | |
| Capital Program Expenditures | | | | | | | | | | | | | | |
| Capital Projects | \$ 3,819,000 | \$ 1,370,000 | \$ 7,695,000 | \$ 2,208,000 | \$ 2,082,000 | \$ 1,970,000 | \$ 869,000 | \$ 3,881,000 | \$ 2,398,000 | \$ 1,615,000 | \$ 2,342,000 | \$ 2,424,000 | \$ 2,789,000 | |
| Total Capital Prog. Expend. | \$ 3,819,000 | \$ 1,370,000 | \$ 7,695,000 | \$ 2,208,000 | \$ 2,082,000 | \$ 1,970,000 | \$ 869,000 | \$ 3,881,000 | \$ 2,398,000 | \$ 1,615,000 | \$ 2,342,000 | \$ 2,424,000 | \$ 2,789,000 | |
| Ending Balance | \$ 144,410 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

WATER IMF FUND (FUND 562)

| | | | | | | | | | | | | | | |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-------------|
| Beginning Balance | \$ 702,815 | \$ 1,079,382 | \$ 1,555,700 | \$ 1,181,200 | \$ 1,766,700 | \$ 2,392,100 | \$ 20,400 | \$ 640,500 | \$ 1,304,200 | \$ 2,013,800 | \$ 2,771,700 | \$ 3,580,600 | \$ 4,442,900 | |
| Revenues and Transfers In | | | | | | | | | | | | | | |
| Interest Earnings | \$ - | \$ - | \$ 46,700 | \$ 35,400 | \$ 53,000 | \$ 71,800 | \$ 600 | \$ 19,200 | \$ 39,100 | \$ 60,400 | \$ 83,200 | \$ 107,400 | \$ 133,300 | |
| Water IMF Revenue | \$ 362,481 | \$ 476,310 | \$ 528,800 | \$ 550,100 | \$ 572,400 | \$ 595,500 | \$ 619,500 | \$ 644,500 | \$ 670,500 | \$ 697,500 | \$ 725,700 | \$ 754,900 | \$ 785,400 | |
| Total Revenues and Transfers In | \$ 362,481 | \$ 476,310 | \$ 575,500 | \$ 585,500 | \$ 625,400 | \$ 667,300 | \$ 620,100 | \$ 663,700 | \$ 709,600 | \$ 757,900 | \$ 808,900 | \$ 862,300 | \$ 918,700 | |
| Water IMF Expend. & Transfers | | | | | | | | | | | | | | |
| Water IMF Projects | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 3,039,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Transfer to Cap. Fund for Projects | \$ - | \$ - | \$ 950,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Water IMF Expend. | \$ - | \$ - | \$ 950,000 | \$ - | \$ - | \$ 3,039,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Ending Balance | \$ 1,065,296 | \$ 1,555,692 | \$ 1,181,200 | \$ 1,766,700 | \$ 2,392,100 | \$ 20,400 | \$ 640,500 | \$ 1,304,200 | \$ 2,013,800 | \$ 2,771,700 | \$ 3,580,600 | \$ 4,442,900 | \$ 5,361,600 | |
| Owed Fund 560 for Debt Service | \$ 8,267,794 | \$ 9,805,871 | \$ 10,394,375 | \$ 11,931,679 | \$ 13,468,050 | \$ 15,007,687 | \$ 16,545,500 | \$ 18,083,006 | \$ 19,621,507 | \$ 21,159,155 | \$ 22,697,955 | \$ 24,236,297 | \$ 25,772,707 | |

| | FY 17-18 | FY 18-19 | FY 19-20 | FY 20-21 | FY 21-22 | FY 22-23 | FY 23-24 | FY 24-25 | FY 25-26 | FY 26-27 | FY 27-28 | FY 28-29 | FY 29-30 | |
|------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|--|
| Oper. & Maint. Costs | \$ 7,059,366 | \$ 7,961,251 | \$ 8,199,300 | \$ 8,443,600 | \$ 8,695,100 | \$ 8,953,800 | \$ 9,220,500 | \$ 9,496,700 | \$ 9,781,500 | \$ 10,077,300 | \$ 10,382,000 | \$ 10,695,800 | \$ 11,018,500 | |
| Debt Service Costs | \$ 2,967,656 | \$ 2,969,156 | \$ 2,969,756 | \$ 2,967,956 | \$ 2,966,556 | \$ 2,952,656 | \$ 2,929,520 | \$ 2,907,259 | \$ 2,885,452 | \$ 2,856,572 | \$ 2,829,500 | \$ 2,798,914 | \$ 2,764,815 | |
| Capital Prog. Transfer | \$ 3,868,331 | \$ 1,225,590 | \$ 6,745,000 | \$ 2,208,000 | \$ 2,082,000 | \$ 1,970,000 | \$ 869,000 | \$ 3,881,000 | \$ 2,398,000 | \$ 1,615,000 | \$ 2,342,000 | \$ 2,424,000 | \$ 2,789,000 | |
| Proposed Revenues | \$ 14,046,734 | \$ 14,228,740 | \$ 14,915,300 | \$ 14,538,300 | \$ 14,185,900 | \$ 14,584,300 | \$ 14,828,200 | \$ 14,972,600 | \$ 15,199,000 | \$ 15,539,400 | \$ 15,922,300 | \$ 16,307,500 | \$ 16,652,900 | |
| Ending Balance | \$ 3,749,145 | \$ 5,298,979 | \$ 2,300,244 | \$ 3,218,944 | \$ 3,661,144 | \$ 4,368,944 | \$ 6,178,081 | \$ 4,865,742 | \$ 4,999,748 | \$ 5,990,228 | \$ 6,359,001 | \$ 6,747,786 | \$ 6,828,385 | |
| Target Oper. Reserve | \$ 5,014,000 | \$ 5,465,000 | \$ 5,585,000 | \$ 5,706,000 | \$ 5,831,000 | \$ 5,953,000 | \$ 6,075,000 | \$ 6,202,000 | \$ 6,333,000 | \$ 6,467,000 | \$ 6,606,000 | \$ 6,747,000 | \$ 6,892,000 | |
| Min. Oper. Reserve | \$ 2,507,000 | \$ 2,732,500 | \$ 2,792,500 | \$ 2,853,000 | \$ 2,915,500 | \$ 2,976,500 | | | | | | | | |
| Current Revenues | \$ 14,047,712 | \$ 14,132,740 | \$ 14,342,300 | \$ 14,111,300 | \$ 14,006,900 | \$ 14,014,300 | \$ 13,930,200 | \$ 13,821,600 | \$ 13,781,000 | \$ 13,838,400 | \$ 13,919,300 | \$ 13,982,500 | \$ 14,007,900 | |

Exhibit II-10
City of Lodi
Wastewater System Financial Plan

| | FY 17-18 | FY 18-19 | FY 19-20 | FY 20-21 | FY 21-22 | FY 22-23 | FY 23-24 | FY 24-25 | FY 25-26 | FY 26-27 | FY 27-28 | FY 28-29 | FY 29-30 |
|--------------------------------------|----------------------|---------------|---------------|---------------|---------------|---------------|----------------|---------------|---------------|----------------|---------------|---------------|---------------|
| | Rate Adjustments --> | | 2.9% July | 3.0% July | 3.0% July | 3.0% July | 3.0% July | 3.0% July | 3.0% July | 3.0% July | 3.0% July | 3.0% July | 3.0% July |
| WASTEWATER OPERATING FUND (FUND 530) | | | | | | | | | | | | | |
| Beginning Balance | \$ 12,967,860 | \$ 15,365,382 | \$ 11,780,300 | \$ 11,403,800 | \$ 13,990,100 | \$ 13,322,200 | \$ 9,695,600 | \$ 4,200,200 | \$ 6,743,500 | \$ 7,990,200 | \$ 3,278,100 | \$ 5,865,300 | \$ 7,507,900 |
| Operating Revenues | | | | | | | | | | | | | |
| Flat Rate Revenue | \$ 4,071,900 | \$ 3,297,900 | \$ 3,393,600 | \$ 3,015,600 | \$ 2,619,600 | \$ 2,698,200 | \$ 2,335,400 | \$ 2,405,400 | \$ 1,239,000 | \$ - | \$ - | \$ - | \$ - |
| Service Charge Revenue | \$ 5,576,600 | \$ 6,113,300 | \$ 6,343,600 | \$ 6,889,000 | \$ 7,458,500 | \$ 7,740,700 | \$ 8,313,500 | \$ 8,626,300 | \$ 9,245,700 | \$ 9,896,600 | \$ 10,264,900 | \$ 10,647,100 | \$ 11,044,400 |
| Usage Charge Revenue | \$ 5,215,043 | \$ 5,796,900 | \$ 6,032,500 | \$ 6,637,100 | \$ 7,267,400 | \$ 7,554,900 | \$ 8,186,000 | \$ 8,507,000 | \$ 8,958,200 | \$ 9,430,200 | \$ 9,798,400 | \$ 10,180,700 | \$ 10,270,000 |
| Miscellaneous Revenue | \$ 204,007 | \$ 180,000 | \$ 211,900 | \$ 211,900 | \$ 211,900 | \$ 211,900 | \$ 211,900 | \$ 211,900 | \$ 211,900 | \$ 211,900 | \$ 211,900 | \$ 211,900 | \$ 211,900 |
| Grant Revenue | \$ 400,282 | \$ 3,150,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Interest Earnings | \$ 205,140 | \$ 220,000 | \$ 353,400 | \$ 342,100 | \$ 419,700 | \$ 399,700 | \$ 290,900 | \$ 126,000 | \$ 202,300 | \$ 239,700 | \$ 98,300 | \$ 176,000 | \$ 225,200 |
| Trans. From/(To) WW Rate Stab. | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Trans. From WW IMF Fund for DS | \$ - | \$ - | \$ 400,000 | \$ 400,000 | \$ 400,000 | \$ 400,000 | \$ 400,000 | \$ 400,000 | \$ 400,000 | \$ 400,000 | \$ 400,000 | \$ 400,000 | \$ 400,000 |
| Total Operating Revenues | \$ 15,672,971 | \$ 18,758,100 | \$ 16,735,000 | \$ 17,495,700 | \$ 18,377,100 | \$ 19,005,400 | \$ 19,737,700 | \$ 20,276,600 | \$ 20,257,100 | \$ 20,178,400 | \$ 20,773,500 | \$ 21,615,700 | \$ 22,151,100 |
| Operating Expenses and Transfers | | | | | | | | | | | | | |
| Wastewater Administration | \$ 1,324,120 | \$ 1,397,140 | \$ 1,439,000 | \$ 1,481,700 | \$ 1,526,100 | \$ 1,571,700 | \$ 1,618,500 | \$ 1,666,600 | \$ 1,716,400 | \$ 1,767,600 | \$ 1,820,200 | \$ 1,874,500 | \$ 1,930,300 |
| Operating Transfer Out | \$ 1,108,270 | \$ 1,083,710 | \$ 1,116,200 | \$ 1,149,700 | \$ 1,184,200 | \$ 1,219,700 | \$ 1,256,300 | \$ 1,294,000 | \$ 1,332,800 | \$ 1,372,800 | \$ 1,414,000 | \$ 1,456,400 | \$ 1,500,100 |
| Damage to Property | \$ 2,861 | \$ 5,800 | \$ 5,900 | \$ 6,000 | \$ 6,100 | \$ 6,200 | \$ 6,300 | \$ 6,400 | \$ 6,500 | \$ 6,600 | \$ 6,700 | \$ 6,800 | \$ 7,000 |
| White Slough WPCF | \$ 3,828,052 | \$ 4,434,580 | \$ 4,567,800 | \$ 4,704,900 | \$ 4,845,800 | \$ 4,990,800 | \$ 5,140,200 | \$ 5,294,400 | \$ 5,453,100 | \$ 5,616,400 | \$ 5,784,900 | \$ 5,958,400 | \$ 6,137,000 |
| Electricity | \$ 629,470 | \$ 603,060 | \$ 621,200 | \$ 639,800 | \$ 659,000 | \$ 678,800 | \$ 699,200 | \$ 720,200 | \$ 741,800 | \$ 764,100 | \$ 787,000 | \$ 810,600 | \$ 834,900 |
| Sanitary System Maintenance | \$ 889,128 | \$ 791,730 | \$ 815,700 | \$ 840,100 | \$ 865,200 | \$ 891,100 | \$ 917,700 | \$ 945,200 | \$ 973,500 | \$ 1,002,600 | \$ 1,032,500 | \$ 1,063,400 | \$ 1,095,000 |
| Storm Drainage Maintenance | \$ 565,918 | \$ 725,890 | \$ 748,000 | \$ 770,500 | \$ 793,600 | \$ 817,400 | \$ 841,900 | \$ 867,200 | \$ 893,100 | \$ 919,900 | \$ 947,400 | \$ 975,700 | \$ 1,004,600 |
| Industrial System Maintenance | \$ 5,590 | \$ 12,200 | \$ 12,500 | \$ 12,800 | \$ 13,100 | \$ 13,400 | \$ 13,700 | \$ 14,000 | \$ 14,300 | \$ 14,600 | \$ 14,900 | \$ 15,200 | \$ 15,500 |
| Water/Wastewater Personnel | \$ 139,712 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Watershed Education | \$ 42,290 | \$ 74,310 | \$ 76,500 | \$ 78,700 | \$ 81,000 | \$ 83,400 | \$ 85,800 | \$ 88,300 | \$ 90,800 | \$ 93,300 | \$ 95,900 | \$ 98,500 | \$ 101,300 |
| Debt Service | \$ 2,896,776 | \$ 3,006,576 | \$ 3,006,700 | \$ 3,003,200 | \$ 3,005,900 | \$ 3,006,500 | \$ 3,002,500 | \$ 3,374,000 | \$ 2,868,100 | \$ 2,869,600 | \$ 1,650,800 | \$ 1,652,600 | \$ 1,656,600 |
| Transfer to Capital Fund (Fund 531) | \$ 1,345,754 | \$ 10,208,149 | \$ 4,702,000 | \$ 2,222,000 | \$ 6,065,000 | \$ 9,353,000 | \$ 11,651,000 | \$ 3,463,000 | \$ 4,920,000 | \$ 10,463,000 | \$ 4,632,000 | \$ 6,061,000 | \$ 6,298,000 |
| Total Oper. Expenses and Transfers | \$ 12,777,941 | \$ 22,343,145 | \$ 17,111,500 | \$ 14,909,400 | \$ 19,045,000 | \$ 22,632,000 | \$ 25,233,100 | \$ 17,733,300 | \$ 19,010,400 | \$ 24,890,500 | \$ 18,186,300 | \$ 19,973,100 | \$ 20,580,300 |
| Ending Balance | \$ 15,862,890 | \$ 11,780,337 | \$ 11,403,800 | \$ 13,990,100 | \$ 13,322,200 | \$ 9,695,600 | \$ 4,200,200 | \$ 6,743,500 | \$ 7,990,200 | \$ 3,278,100 | \$ 5,865,300 | \$ 7,507,900 | \$ 9,078,700 |
| Operating Reserve (50%) | \$ 5,716,000 | \$ 6,067,000 | \$ 6,205,000 | \$ 6,344,000 | \$ 6,490,000 | \$ 6,640,000 | \$ 6,791,000 | \$ 7,135,000 | \$ 7,045,000 | \$ 7,214,000 | \$ 6,777,000 | \$ 6,956,000 | \$ 7,141,000 |
| Available Funds | \$ 10,146,890 | \$ 5,713,337 | \$ 5,198,800 | \$ 7,646,100 | \$ 6,832,200 | \$ 3,055,600 | \$ (2,590,800) | \$ (391,500) | \$ 945,200 | \$ (3,935,900) | \$ (911,700) | \$ 551,900 | \$ 1,937,700 |
| Debt Service Coverage (min. 1.25) | 2.64 | 3.51 | 2.45 | 2.62 | 2.82 | 2.94 | 3.09 | 2.80 | 3.18 | 3.04 | 5.45 | 5.75 | 5.86 |
| WASTEWATER CAPITAL FUND (FUND 531) | | | | | | | | | | | | | |
| Beginning Balance | \$ 1,067,097 | \$ 246,851 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Revenues and Transfers In | | | | | | | | | | | | | |
| Interest Earnings | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Transfer from Operating Fund | \$ 1,345,754 | \$ 10,208,149 | \$ 4,702,000 | \$ 2,222,000 | \$ 6,065,000 | \$ 9,353,000 | \$ 11,651,000 | \$ 3,463,000 | \$ 4,920,000 | \$ 10,463,000 | \$ 4,632,000 | \$ 6,061,000 | \$ 6,298,000 |
| Transfer from WW IMF Fund | \$ - | \$ 1,000,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Revenues and Transfers In | \$ 1,345,754 | \$ 11,208,149 | \$ 4,702,000 | \$ 2,222,000 | \$ 6,065,000 | \$ 9,353,000 | \$ 11,651,000 | \$ 3,463,000 | \$ 4,920,000 | \$ 10,463,000 | \$ 4,632,000 | \$ 6,061,000 | \$ 6,298,000 |
| Capital Program Expenditures | | | | | | | | | | | | | |
| Wastewater Capital Outlay | \$ 820,000 | \$ 3,955,000 | \$ 3,193,000 | \$ 1,034,000 | \$ 3,661,000 | \$ 394,000 | \$ 3,594,000 | \$ 1,761,000 | \$ 3,813,000 | \$ 2,660,000 | \$ 2,740,000 | \$ 4,166,000 | \$ 4,291,000 |
| Wastewater Plant | \$ 1,346,000 | \$ 7,500,000 | \$ 1,509,000 | \$ 1,188,000 | \$ 2,404,000 | \$ 8,959,000 | \$ 8,057,000 | \$ 1,702,000 | \$ 1,107,000 | \$ 7,803,000 | \$ 1,892,000 | \$ 1,895,000 | \$ 2,007,000 |
| Total Capital Prog. Expend. | \$ 2,166,000 | \$ 11,455,000 | \$ 4,702,000 | \$ 2,222,000 | \$ 6,065,000 | \$ 9,353,000 | \$ 11,651,000 | \$ 3,463,000 | \$ 4,920,000 | \$ 10,463,000 | \$ 4,632,000 | \$ 6,061,000 | \$ 6,298,000 |
| Ending Balance | \$ 246,851 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

Exhibit II-10 -- Continued
City of Lodi
Wastewater System Financial Plan

| | FY 17-18 | FY 18-19 | FY 19-20 | FY 20-21 | FY 21-22 | FY 22-23 | FY 23-24 | FY 24-25 | FY 25-26 | FY 26-27 | FY 27-28 | FY 28-29 | FY 29-30 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-----------------------|-----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| WASTEWATER IMF FUND (FUND 533) | | | | | | | | | | | | | |
| Beginning Balance | \$ 759,967 | \$ 809,400 | \$ 712,500 | \$ 621,700 | \$ 539,900 | \$ 467,600 | \$ 405,700 | \$ 355,000 | \$ 316,400 | \$ 290,700 | \$ 279,000 | \$ 282,200 | \$ 301,400 |
| Revenues and Transfers In | | | | | | | | | | | | | |
| Interest Earnings | \$ - | \$ - | \$ 21,400 | \$ 18,700 | \$ 16,200 | \$ 14,000 | \$ 12,200 | \$ 10,700 | \$ 9,500 | \$ 8,700 | \$ 8,400 | \$ 8,500 | \$ 9,000 |
| Wastewater IMF Revenue | \$ 503,776 | \$ 903,130 | \$ 287,800 | \$ 299,500 | \$ 311,500 | \$ 324,100 | \$ 337,100 | \$ 350,700 | \$ 364,800 | \$ 379,600 | \$ 394,800 | \$ 410,700 | \$ 427,200 |
| Total Revenues and Transfers In | \$ 503,776 | \$ 903,130 | \$ 309,200 | \$ 318,200 | \$ 327,700 | \$ 338,100 | \$ 349,300 | \$ 361,400 | \$ 374,300 | \$ 388,300 | \$ 403,200 | \$ 419,200 | \$ 436,200 |
| Wastewater IMF Expend. & Transfers | | | | | | | | | | | | | |
| Wastewater IMF Projects | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Transfer to Oper. for Debt Service | \$ - | \$ - | \$ 400,000 | \$ 400,000 | \$ 400,000 | \$ 400,000 | \$ 400,000 | \$ 400,000 | \$ 400,000 | \$ 400,000 | \$ 400,000 | \$ 400,000 | \$ 400,000 |
| Transfer to Cap. for Projects | \$ - | \$ 1,000,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Wastewater IMF Expend. | \$ - | \$ 1,000,000 | \$ 400,000 | \$ 400,000 | \$ 400,000 | \$ 400,000 | \$ 400,000 | \$ 400,000 | \$ 400,000 | \$ 400,000 | \$ 400,000 | \$ 400,000 | \$ 400,000 |
| Ending Balance | \$ 1,263,743 | \$ 712,530 | \$ 621,700 | \$ 539,900 | \$ 467,600 | \$ 405,700 | \$ 355,000 | \$ 316,400 | \$ 290,700 | \$ 279,000 | \$ 282,200 | \$ 301,400 | \$ 337,600 |
| Owed Fund 530 for Debt Service | \$ 5,546,549 | \$ 5,899,508 | \$ 6,852,523 | \$ 7,803,963 | \$ 8,756,618 | \$ 9,709,543 | \$ 10,660,668 | \$ 11,778,968 | \$ 12,669,613 | \$ 13,560,933 | \$ 13,903,793 | \$ 14,247,463 | \$ 14,592,933 |
| STORMWATER IMF FUND (FUND 535) | | | | | | | | | | | | | |
| Beginning Balance | \$ 925,574 | \$ 930,384 | \$ 945,700 | \$ 1,069,000 | \$ 1,199,800 | \$ 1,338,600 | \$ 1,485,700 | \$ (1,140,400) | \$ (1,058,900) | \$ (970,300) | \$ (874,200) | \$ (770,100) | \$ (657,600) |
| Revenues and Transfers In | | | | | | | | | | | | | |
| Interest Earnings | \$ - | \$ - | \$ 28,400 | \$ 32,100 | \$ 36,000 | \$ 40,200 | \$ 44,600 | \$ (34,200) | \$ (31,800) | \$ (29,100) | \$ (26,200) | \$ (23,100) | \$ (19,700) |
| Stormwater IMF Revenue | \$ 7,759 | \$ 15,330 | \$ 94,900 | \$ 98,700 | \$ 102,800 | \$ 106,900 | \$ 111,300 | \$ 115,700 | \$ 120,400 | \$ 125,200 | \$ 130,300 | \$ 135,600 | \$ 141,000 |
| Total Revenues and Transfers In | \$ 7,759 | \$ 15,330 | \$ 123,300 | \$ 130,800 | \$ 138,800 | \$ 147,100 | \$ 155,900 | \$ 81,500 | \$ 88,600 | \$ 96,100 | \$ 104,100 | \$ 112,500 | \$ 121,300 |
| Stormwater IMF Expend. & Transfers | | | | | | | | | | | | | |
| Stormwater IMF Projects | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 2,782,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Transfer to Cap. for Projects | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Stormwater IMF Expend. | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 2,782,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Ending Balance | \$ 933,333 | \$ 945,714 | \$ 1,069,000 | \$ 1,199,800 | \$ 1,338,600 | \$ 1,485,700 | \$ (1,140,400) | \$ (1,058,900) | \$ (970,300) | \$ (874,200) | \$ (770,100) | \$ (657,600) | \$ (536,300) |
| WASTEWATER RATE STABILIZATION FUND (FUND 534) | | | | | | | | | | | | | |
| Beginning Balance | \$ 500,000 | \$ 500,000 | \$ 500,000 | \$ 515,000 | \$ 530,500 | \$ 546,400 | \$ 562,800 | \$ 579,700 | \$ 597,100 | \$ 615,000 | \$ 633,500 | \$ 652,500 | \$ 672,100 |
| Revenues and Transfers In | | | | | | | | | | | | | |
| Interest Earnings | \$ - | \$ - | \$ 15,000 | \$ 15,500 | \$ 15,900 | \$ 16,400 | \$ 16,900 | \$ 17,400 | \$ 17,900 | \$ 18,500 | \$ 19,000 | \$ 19,600 | \$ 20,200 |
| Transfers From/(To) Oper. Fund | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Revs. and Transfers In/(Out) | \$ - | \$ - | \$ 15,000 | \$ 15,500 | \$ 15,900 | \$ 16,400 | \$ 16,900 | \$ 17,400 | \$ 17,900 | \$ 18,500 | \$ 19,000 | \$ 19,600 | \$ 20,200 |
| Ending Balance | \$ 500,000 | \$ 500,000 | \$ 515,000 | \$ 530,500 | \$ 546,400 | \$ 562,800 | \$ 579,700 | \$ 597,100 | \$ 615,000 | \$ 633,500 | \$ 652,500 | \$ 672,100 | \$ 692,300 |
| | FY 17-18 | FY 18-19 | FY 19-20 | FY 20-21 | FY 21-22 | FY 22-23 | FY 23-24 | FY 24-25 | FY 25-26 | FY 26-27 | FY 27-28 | FY 28-29 | FY 29-30 |
| Oper. & Maint. Costs | \$ 8,535,411 | \$ 9,128,420 | \$ 9,402,800 | \$ 9,684,200 | \$ 9,974,100 | \$ 10,272,500 | \$ 10,579,600 | \$ 10,896,300 | \$ 11,222,300 | \$ 11,557,900 | \$ 11,903,500 | \$ 12,259,500 | \$ 12,625,700 |
| Debt Service Costs | \$ 2,896,776 | \$ 3,006,576 | \$ 3,006,700 | \$ 3,003,200 | \$ 3,005,900 | \$ 3,006,500 | \$ 3,002,500 | \$ 3,374,000 | \$ 2,868,100 | \$ 2,869,600 | \$ 1,650,800 | \$ 1,652,600 | \$ 1,656,600 |
| Capital Prog. Transfer | \$ 1,345,754 | \$ 10,208,149 | \$ 4,702,000 | \$ 2,222,000 | \$ 6,065,000 | \$ 9,353,000 | \$ 11,651,000 | \$ 3,463,000 | \$ 4,920,000 | \$ 10,463,000 | \$ 4,632,000 | \$ 6,061,000 | \$ 6,298,000 |
| Proposed Revenues | \$ 15,672,971 | \$ 18,758,100 | \$ 16,735,000 | \$ 17,495,700 | \$ 18,377,100 | \$ 19,005,400 | \$ 19,737,700 | \$ 20,276,600 | \$ 20,257,100 | \$ 20,178,400 | \$ 20,773,500 | \$ 21,615,700 | \$ 22,151,100 |
| Ending Balance | \$ 15,862,890 | \$ 11,780,337 | \$ 11,403,800 | \$ 13,990,100 | \$ 13,322,200 | \$ 9,695,600 | \$ 4,200,200 | \$ 6,743,500 | \$ 7,990,200 | \$ 3,278,100 | \$ 5,865,300 | \$ 7,507,900 | \$ 9,078,700 |
| Target Oper. Reserve | \$ 5,716,000 | \$ 6,067,000 | \$ 6,205,000 | \$ 6,344,000 | \$ 6,490,000 | \$ 6,640,000 | \$ 6,791,000 | \$ 7,135,000 | \$ 7,045,000 | \$ 7,214,000 | \$ 6,777,000 | \$ 6,956,000 | \$ 7,141,000 |
| Min. Oper. Reserve | | | | | | \$ 3,320,000 | \$ 3,395,500 | \$ 3,567,500 | \$ 3,522,500 | \$ 3,607,000 | \$ 3,388,500 | | |
| Current Revenues | \$ 15,468,922 | \$ 18,578,100 | \$ 15,672,200 | \$ 15,943,200 | \$ 16,301,900 | \$ 16,395,900 | \$ 16,546,500 | \$ 16,498,400 | \$ 16,019,400 | \$ 15,503,300 | \$ 15,482,800 | \$ 15,682,100 | \$ 15,854,200 |

Proposition 218 Notification and Protest Hearing Process For Proposed Increases to Water and Wastewater Rates

Summary

The Lodi City Council will consider proposed future water and wastewater rate increases at a public hearing at 7:00 p.m., Wednesday, March 20, 2019, at the Carnegie Forum, 305 West Pine Street, Lodi. A majority protest would stop the proposed future increases. If you wish to protest the proposed increases written protests may be made in person at the hearing or delivered to:

City of Lodi
Attention: City Clerk
221 West Pine Street
Post Office Box 3006
Lodi, California 95241-1910

Explanation of Protest Process

Proposition 218 requires that the City provide a notice of the proposed future rate schedule to all property owners forty-five (45) days prior to holding a public hearing. If a majority of the property owners or renters who pay the utility bill file oppositions to the increase, the increase will not take effect. A protest must contain a description of the property owned sufficient to identify the property. The address or assessor's parcel number is shown on this mailing.

If the name on the written protest is not shown on the last equalized assessment roll of San Joaquin County as the owner of the property or on the utility account, the signer of the protest must also submit written evidence of ownership or rentership and utility bill responsibility.

At the public hearing, Council shall hear all protests and tabulate the ballots. One written protest per parcel, filed by the owner or tenant (paying the utility bill) of the parcel shall be counted in calculating a majority protest to a proposed new fee or charge subject to the requirements of Section 6 of Article XIII D of the California Constitution. If the votes conflict, the City will count the no vote.

Explanation of Proposed Future Increases

City Staff is requesting that the City Council authorize continuation of the existing practice of inflationary based adjustments to water and wastewater rates in an amount up to the lesser of three percent (3%) or the actual amount of annual inflation for the next five years to pay for anticipated operating and maintenance costs, debt service obligations, and capital program needs as well as the maintenance of prudent financial reserves for both the water and wastewater utilities. The initial increase in water rates would be effective in April 2019, followed by inflationary adjustments each January 1 from 2020 through 2023. Wastewater rate adjustments would occur each July 1 from 2019 through 2023.

For rate setting purposes, the City of Lodi determines inflation as the annual percentage increase in the *Engineering News Record's* 20-Cities Construction Cost Index ("ENR"). The change in the ENR for 2018 was 2.9 percent. Therefore, City staff proposes that the initial increases for both

water and wastewater rates be 2.9 percent. Water rates would initially be adjusted effective April 1, 2019 and wastewater rates would initially be adjusted effective July 1, 2019.

Thereafter water rates would be adjusted each January 1 from 2020 through 2023 based on the annual change in the ENR as of September 30, subject to a 3% annual cap. An exception will occur in January 2021. At that time, water rates will be *reduced* to the rates that existed in 2016, as previously approved by the City Council in Resolution 2017-23.

After the initial wastewater rate increase in July 2019, wastewater rates would be adjusted each July 1 from 2020 through 2023 based on the annual change in the ENR as of March 31, subject to a 3% annual cap.

The proposed initial adjustment to water and wastewater rates, as well as the maximum potential future rates based on this proposal are presented in the schedules at the end of this notice. They include both flat rates and metered (usage-based) rates for both water and wastewater utilities. No changes to the water or wastewater rate structures are proposed at this time.

Explanation of Proposed Temporary Water Shortage Rate Surcharges

With metered water rates, water usage restrictions during an extended drought can have a financial impact on the water utility because the reduction in water sales revenue can exceed the reduction in water system costs. The proposed temporary water shortage rate surcharges were calculated by assigning a portion of the estimated financial deficit created by water shortage conditions to customers in proportion to each customer's metered water usage. This approach ensures that each customer bears a proportionate share of the costs associated with water shortage conditions.

If adopted, the proposed temporary water shortage rate surcharges, as set forth herein, would be implemented when the City Council declares a water shortage emergency necessitating mandatory water use reductions exceeding 10 percent. Temporary water shortage surcharges would be applied to the water usage rates (but not to monthly service charges or flat water rates), and the amount of the surcharge would vary with the magnitude of required water use reductions. Water shortage rate surcharges have been designed such that customers meeting water use reduction goals will have lower water bills than their normal water bills with normal water usage.

The proposed temporary water shortage rate surcharges are expressed as a percentage of the normal water usage rates. The amount of the surcharge would depend on the water use reduction goal established by the City Council. The specific rates shown in this notice are an example, based on proposed (April 2019) water rates. As an example, with Minor Shortage conditions a 5 percent water shortage rate surcharge would temporarily increase the Tier 1 residential water usage rate from \$1.00 per CCF to \$1.05 per CCF (a surcharge of \$0.05 per CCF). Other water usage rates would be similarly affected as shown in surcharge schedule. Monthly service charges and the flat rates for unmetered customers would be unaffected. The temporary surcharge would be rescinded when the City Council declares an end to mandatory water use restrictions.

The City Council currently has no plans to implement the proposed temporary water shortage rate surcharges, but they would be available to help address financial needs during a future drought. Adopting the surcharges at this time would enable timely implementation during a future water shortage condition.

Basis of Proposed Rate Calculation

The proposed annual water and wastewater rate adjustments are justified based on estimated future costs associated with ongoing operation and maintenance, existing debt service obligations, and capital program needs as well as the need to maintain prudent financial reserves. The water and wastewater rate revenue requirements were determined based on financial plans developed as part of a water and wastewater rate study. The *Water and Wastewater Rate Study*, prepared by The Reed Group, Inc. is available at www.lodi.gov or at the Public Works counter in City Hall. The rationale and calculations of the temporary water shortage rate surcharges are also described in the same report.

Conclusion

If you have any questions about this notice, please call the Public Works Department at (209) 333-6706 between 7:30 a.m. and 5:30 p.m., Monday through Thursday, and between 8:00 a.m. and 5:00 p.m. on Friday. City Hall is closed every other Friday.

JENNIFER M. FERRAILOLO, City Clerk
City of Lodi

City of Lodi
Current and Proposed Maximum Water Rate Schedules

| | | Current (1) | Apr. 2019 (2) | Jan. 2020 (3) | Jan. 2021 (1) | Jan. 2022 (3) | Jan. 2023 (3) | | | | | |
|---------------------------------------|----|-------------|---------------|---------------|---------------|---------------|---------------|----------|----|----------|----|----------|
| Rate Adjustment --> | | | 2.9% | 3.0% | -8.4% | 3.0% | 3.0% | | | | | |
| Monthly Flat Water Rates (Unmetered) | | | | | | | | | | | | |
| Single Family Residential | | | | | | | | | | | | |
| 1 bedroom | \$ | 32.84 | \$ | 33.79 | \$ | 34.80 | \$ | 31.88 | \$ | 32.84 | \$ | 33.83 |
| 2 bedroom | \$ | 39.44 | \$ | 40.58 | \$ | 41.80 | \$ | 38.29 | \$ | 39.44 | \$ | 40.62 |
| 3 bedroom | \$ | 47.27 | \$ | 48.64 | \$ | 50.10 | \$ | 45.89 | \$ | 47.27 | \$ | 48.69 |
| 4 bedroom | \$ | 56.79 | \$ | 58.44 | \$ | 60.19 | \$ | 55.14 | \$ | 56.79 | \$ | 58.49 |
| 5 bedroom | \$ | 68.11 | \$ | 70.09 | \$ | 72.19 | \$ | 66.13 | \$ | 68.11 | \$ | 70.15 |
| Multi-Family Units | | | | | | | | | | | | |
| 1 bedroom | \$ | 28.19 | \$ | 29.01 | \$ | 29.88 | \$ | 27.37 | \$ | 28.19 | \$ | 29.04 |
| 2 bedroom | \$ | 33.81 | \$ | 34.79 | \$ | 35.83 | \$ | 32.82 | \$ | 33.80 | \$ | 34.81 |
| 3 bedroom | \$ | 40.58 | \$ | 41.76 | \$ | 43.01 | \$ | 39.40 | \$ | 40.58 | \$ | 41.80 |
| 4 bedroom | \$ | 48.68 | \$ | 50.09 | \$ | 51.59 | \$ | 47.26 | \$ | 48.68 | \$ | 50.14 |
| Non-Residential | | | | | | | | | | | | |
| Per ESFU | \$ | 39.44 | \$ | 40.58 | \$ | 41.80 | \$ | 38.29 | \$ | 39.44 | \$ | 40.62 |
| Monthly Service Charges (Metered) | | | | | | | | | | | | |
| Up to 3/4" meter | \$ | 21.87 | \$ | 22.50 | \$ | 23.18 | \$ | 21.23 | \$ | 21.87 | \$ | 22.53 |
| 1" meter | \$ | 34.34 | \$ | 35.34 | \$ | 36.40 | \$ | 33.34 | \$ | 34.34 | \$ | 35.37 |
| 1 1/2" meter | \$ | 65.25 | \$ | 67.14 | \$ | 69.15 | \$ | 63.34 | \$ | 65.24 | \$ | 67.20 |
| 2" meter | \$ | 102.52 | \$ | 105.49 | \$ | 108.65 | \$ | 99.53 | \$ | 102.52 | \$ | 105.60 |
| 3" meter | \$ | 189.50 | \$ | 195.00 | \$ | 200.85 | \$ | 183.98 | \$ | 189.50 | \$ | 195.19 |
| 4" meter | \$ | 313.73 | \$ | 322.83 | \$ | 332.51 | \$ | 304.59 | \$ | 313.73 | \$ | 323.14 |
| 6" meter | \$ | 624.03 | \$ | 642.13 | \$ | 661.39 | \$ | 605.85 | \$ | 624.03 | \$ | 642.75 |
| 8" meter | \$ | 996.55 | \$ | 1,025.45 | \$ | 1,056.21 | \$ | 967.52 | \$ | 996.55 | \$ | 1,026.45 |
| 10" meter | \$ | 1,431.26 | \$ | 1,472.77 | \$ | 1,516.95 | \$ | 1,389.57 | \$ | 1,431.26 | \$ | 1,474.20 |
| Water Usage Rates (Metered) -- \$/CCF | | | | | | | | | | | | |
| Single Family Residential | | | | | | | | | | | | |
| Tier 1 (0-10 CCF) | \$ | 0.97 | \$ | 1.00 | \$ | 1.03 | \$ | 0.94 | \$ | 0.97 | \$ | 1.00 |
| Tier 2 (11-50 CCF) | \$ | 1.29 | \$ | 1.33 | \$ | 1.37 | \$ | 1.25 | \$ | 1.29 | \$ | 1.33 |
| Tier 3 (> 50 CCF) | \$ | 1.60 | \$ | 1.65 | \$ | 1.70 | \$ | 1.56 | \$ | 1.61 | \$ | 1.66 |
| Multi-Family | \$ | 1.15 | \$ | 1.18 | \$ | 1.22 | \$ | 1.12 | \$ | 1.15 | \$ | 1.18 |
| Non-Residential | \$ | 1.15 | \$ | 1.18 | \$ | 1.22 | \$ | 1.12 | \$ | 1.15 | \$ | 1.18 |

Notes:

- (1) Water rates were last adjusted in 2017 based on Resolution 2017-23, which includes a rate rollback in January 2021 to the water rates that were in effect in 2016.
- (2) Annual change in ENR 20-Cities Construction Cost Index for 2018 (based on Dec. 2017 to Dec. 2018).
- (3) Estimated adjustments based on the annual change in the ENR index each September 30, subject to 3.0% cap.

City of Lodi
Current and Proposed Maximum Wastewater Rate Schedules

| | Current (1) | Jul. 2019 (2) | Jul. 2020 (3) | Jul. 2021 (3) | Jul. 2022 (3) | Jul. 2023 (3) |
|---|-------------|---------------|---------------|---------------|---------------|---------------|
| Rate Adjustments --> | | 2.9% | 3.0% | 3.0% | 3.0% | 3.0% |
| Monthly Flat Water Rates (Unmetered) | | | | | | |
| Single Family and Multi-Family Residential Dwelling Units | | | | | | |
| 1 bedroom | \$ 27.90 | \$ 28.71 | \$ 29.57 | \$ 30.46 | \$ 31.37 | \$ 32.31 |
| 2 bedroom | \$ 37.20 | \$ 38.28 | \$ 39.43 | \$ 40.61 | \$ 41.83 | \$ 43.08 |
| 3 bedroom | \$ 46.49 | \$ 47.84 | \$ 49.28 | \$ 50.76 | \$ 52.28 | \$ 53.85 |
| 4 bedroom | \$ 55.79 | \$ 57.41 | \$ 59.13 | \$ 60.90 | \$ 62.73 | \$ 64.61 |
| 5 bedroom | \$ 65.09 | \$ 66.98 | \$ 68.99 | \$ 71.06 | \$ 73.19 | \$ 75.39 |
| Mobile Homes | | | | | | |
| Any Size | \$ 27.90 | \$ 28.71 | \$ 29.57 | \$ 30.46 | \$ 31.37 | \$ 32.31 |
| Schools | | | | | | |
| Per SSU (18 students = 1 SSU) | \$ 27.90 | \$ 28.71 | \$ 29.57 | \$ 30.46 | \$ 31.37 | \$ 32.31 |
| Non-Residential | | | | | | |
| Per SFU | \$ 37.20 | \$ 38.28 | \$ 39.43 | \$ 40.61 | \$ 41.83 | \$ 43.08 |
| Monthly Service Charges (Metered) | | | | | | |
| Up to 3/4" meter | \$ 25.40 | \$ 26.14 | \$ 26.92 | \$ 27.73 | \$ 28.56 | \$ 29.42 |
| 1" meter | \$ 40.92 | \$ 42.11 | \$ 43.37 | \$ 44.67 | \$ 46.01 | \$ 47.39 |
| 1 1/2" meter | \$ 79.06 | \$ 81.35 | \$ 83.79 | \$ 86.30 | \$ 88.89 | \$ 91.56 |
| 2" meter | \$ 124.33 | \$ 127.94 | \$ 131.78 | \$ 135.73 | \$ 139.80 | \$ 143.99 |
| 3" meter | \$ 232.29 | \$ 239.03 | \$ 246.20 | \$ 253.59 | \$ 261.20 | \$ 269.04 |
| 4" meter | \$ 385.52 | \$ 396.70 | \$ 408.60 | \$ 420.86 | \$ 433.49 | \$ 446.49 |
| 6" meter | \$ 768.28 | \$ 790.56 | \$ 814.28 | \$ 838.71 | \$ 863.87 | \$ 889.79 |
| 8" meter | \$ 1,227.76 | \$ 1,263.37 | \$ 1,301.27 | \$ 1,340.31 | \$ 1,380.52 | \$ 1,421.94 |
| Wastewater Usage Rates (Metered) | | | | | | |
| All Customers, Except High Strength | | | | | | |
| Usage Rate (\$/CCF of water use) | \$ 2.89 | \$ 2.97 | \$ 3.06 | \$ 3.15 | \$ 3.24 | \$ 3.34 |
| High Strength Users | | | | | | |
| Flow (per MG annually) | \$ 3,730.00 | \$ 3,838.17 | \$ 3,953.32 | \$ 4,071.92 | \$ 4,194.08 | \$ 4,319.90 |
| BOD (per 1,000 lbs annually) | \$ 616.00 | \$ 633.86 | \$ 652.88 | \$ 672.47 | \$ 692.64 | \$ 713.42 |
| SS (per 1,000 lbs annually) | \$ 385.00 | \$ 396.17 | \$ 408.06 | \$ 420.30 | \$ 432.91 | \$ 445.90 |

Notes:

- (1) Wastewater rates were last adjusted in 2016 based on Resolution 2016-109.
- (2) Annual change in ENR 20-Cities Construction Cost Index for 2018 (based on Dec. 2017 to Dec. 2018).
- (3) Estimated adjustments based on the annual change in the ENR index each April 30, subject to 3.0% cap.

| City of Lodi | | | | | | | | | | |
|---|----|--------------------------------|--------------------------------------|----------------------------------|-------------------------------------|-----------------------------------|-------------------------------------|------|----|------|
| Proposed Temporary Water Shortage Rate Surcharges | | | | | | | | | | |
| | | Normal Supply Conditions | Potential Shortage (Voluntary) | Minor Shortage (Mandatory) | Moderate Shortage (Mandatory) | Severe Shortage (Mandatory) | Critical Shortage (Mandatory) | | | |
| Use Reduction Goal --> | | None | 5% to 10% | 10% to 20% | 20% to 30% | 30% to 50% | > 50% | | | |
| Temp. Water Shortage Surcharge (2) | | None | None | 5% | 10% | 15% | 20% | | | |
| Monthly Service Charges | | | | | | | | | | |
| Up to 3/4" meter | \$ | 22.50 | | | | | | | | |
| 1" meter | \$ | 35.34 | | | | | | | | |
| 1 1/2" meter | \$ | 67.14 | | | | | | | | |
| 2" meter | \$ | 105.49 | | | | | | | | |
| 3" meter | \$ | 195.00 | | | | | | | | |
| 4" meter | \$ | 322.83 | | | | | | | | |
| 6" meter | \$ | 642.13 | | | | | | | | |
| 8" meter | \$ | 1,025.45 | | | | | | | | |
| 10" meter | \$ | 1,472.77 | | | | | | | | |
| Water Usage Rates (\$/CCF) (3) | | | | | | | | | | |
| Single Family Residential | | | | | | | | | | |
| Tier 1 (0-10 CCF) | \$ | 1.00 | \$ | 1.00 | \$ | 1.05 | \$ | 1.10 | \$ | 1.20 |
| Tier 2 (11-50 CCF) | \$ | 1.33 | \$ | 1.33 | \$ | 1.40 | \$ | 1.46 | \$ | 1.60 |
| Tier 3 (> 50 CCF) | \$ | 1.65 | \$ | 1.65 | \$ | 1.73 | \$ | 1.82 | \$ | 1.98 |
| Multi-Family | \$ | 1.18 | \$ | 1.18 | \$ | 1.24 | \$ | 1.30 | \$ | 1.42 |
| Non-Residential | \$ | 1.18 | \$ | 1.18 | \$ | 1.24 | \$ | 1.30 | \$ | 1.42 |

Proposición 218 Aviso y Proceso de Audiencia para Protestar
La Propuesta para Incrementar las Tarifas para el Agua y las Aguas Residuales

Resumen

El Consejo Municipal de la Ciudad considerará futuros aumentos de tarifas para el agua y las aguas residuales, durante una audiencia pública que se efectuara el Miércoles 20 de Marzo de 2019 a las 7:00p.m en el Carnegie Fórum, 305 West Pine Street, Lodi. Una protesta mayoritaria impedirá los aumentos futuros propuestos. Si desea oponerse a los aumentos propuestos, protestas por escrito podrán hacerse en persona durante la audiencia o pueden ser entregadas a:

City of Lodi
Attention: City Clerk
221 West Pine Street
Post Office Box 3006
Lodi, California 95241-1910

Explicación del Proceso para Protestar

La Proposición 218, requiere que la Ciudad le proporcione aviso a todos los dueños de propiedad sobre la propuesta de estructura de tarifas futuras, cuarenta y cinco (45) días antes de que se lleve a cabo la audiencia pública. Si la mayoría de los propietarios o inquilinos que pagan las facturas de utilidades entablan oposiciones al aumento, el incremento no entrara en vigor. La protesta debe contener una descripción de la propiedad, suficiente para identificar el predio. El domicilio o número de parcela deberá demostrarse en esta correspondencia.

Si el nombre en la protesta escrita no aparece en la última lista de tasaciones ecualizadas del Condado de San Joaquín, como dueño de la propiedad o en la cuenta de utilidades, la persona que firme la protesta deberá someter evidencia por escrito de ser el arrendatario o propietario y que tiene la responsabilidad de pagar la factura de utilidad.

Durante la audiencia pública el Consejo deberá escuchar todas las protestas y tabular los votos. Una protesta escrita por parcela, sometida por el propietario o el inquilino (pagando la factura de utilidad) de la parcela deberá contarse en el cálculo de protesta mayoritaria para la propuesta de tarifa nueva o cobro sujeto a los requisitos de la Sección 6 del Artículo XIII D de la Constitución de California. Si los votos entran en conflicto, la Ciudad no contara el voto.

Explicación de los Futuros Aumentos Propuestos

El personal municipal está solicitando que el Consejo Municipal autorice la continuación de la practica actual de ajustes de tarifas debido a la inflación para el agua y las aguas residuales, en una cantidad mínima de hasta menos de tres por ciento (3%), o la cantidad real de la inflación anual por los próximos cinco años, para pagar gastos de mantenimiento y de operación, obligaciones de servicios de deudas, y las necesidades de programas capitales, así como el sustento de reservas financieras prudentes para ambos servicios; del agua y de las aguas residuales. El aumento inicial en la tasa del agua entrara en vigor en Abril de 2019, seguido por los ajustes inflacionarios cada 1ro. De Enero, iniciando el año 2020 hasta el año 2023. Los ajustes de tarifa para el agua residual se llevaran a cabo cada 1ro. De Julio, a partir del año 2019 hasta el año 2023.

Con el propósito de fijar tarifas, la Ciudad de Lodi determina la inflación como el incremento del porcentaje anual en el *Engineering News Record's* 20-Cities Construction Cost Index ("ENR") (Índice de Costes de Construcción 20-Ciudades). El cambio en el ENR para el año 2018 fue el 2.9 por ciento. Por lo tanto, el personal del municipio propuso que el aumento inicial para ambas tarifas; la del agua y la de las aguas residuales sean de 2.9 por ciento. Las tarifas del agua serán inicialmente ajustadas a partir del 1ro. De Abril de 2019 y las tarifas para las aguas residuales serán inicialmente ajustadas a partir del 1ro. De Julio de 2019.

Después de eso, las tarifas serán ajustadas cada 1ro. De Enero desde el año 2020 hasta el año 2023 basado en el cambio anual en el ENR, a partir del 30 de Septiembre, sujeto a un límite anual de 3%. Una excepción sucederá en Enero de 2021. En esa fecha, las tarifas del agua serán *reducidas* a las tarifas que existieron en el año 2016, como fue previamente aprobado por el Consejo Municipal en la Resolución 2017-23.

Después del aumento de tarifa para el agua residual en Julio de 2019, las tasas para el agua residual serán ajustadas cada 1ro. De Julio iniciando el año 2020 hasta el año 2023, basado en el cambio anual en el ENR a partir del 31 de Marzo, sujeto a un límite anual de 3%.

Los ajustes iniciales planteados para las tarifas del agua y para las aguas residuales, así como las futuras tarifas máximas posibles basadas en esta propuesta se presentan en el cronograma al final de este aviso. Se incluyen ambas tarifas, precios fijos y precios medidos (basados según el uso) para ambas utilidades; de aguas residuales y el agua. Por ahora no hay cambios propuestos para las listas de tarifas para el agua y las aguas residuales.

Explicación sobre la Propuesta Temporal de la Tarifa de Recargo debido a la Escasez de Agua

Con tarifas de agua medida, restricciones sobre el consumo de agua durante una sequía prolongada puede tener un impacto económico en la ganancia del agua, porque una reducción de ingresos de la venta de agua, puede exceder la disminución en los gastos del sistema del agua. La propuesta temporal de la tarifa de recargos debido a la escasez de agua, fue calculada atribuyéndole al cliente una porción del déficit económico calculado, el cual fue causado por las condiciones de escasez de agua, en proporción por el consumo de agua medida para cada cliente. Este método asegura que cada cliente tenga una participación pareja en los gastos asociados con las condiciones de la escasez del agua.

Si se adopta, la propuesta temporal de tarifa de recargo debido a la escasez de agua, como se establece en el presente, será implementada cuando el Consejo Municipal exprese la emergencia de escasez de agua, necesitando obligatoriamente la reducción del uso de agua excediendo el 10 por ciento. Recargos temporales por la escasez de agua se aplicarían a las tarifas del uso de agua (pero no al cargo de servicio mensual o a las tarifas fijas de agua), y la cantidad de recargo variaría de acuerdo a la magnitud de las reducciones del consumo de agua requeridas.

Las tarifas de recargos debido a la escasez de agua se han diseñado de esta manera para que los clientes que cumplan con las metas del consumo reducido de agua puedan tener facturas de agua más rebajadas que las facturas de agua de consumo de agua normal.

Las tarifas de recargos temporales debido a la escasez de agua propuestas son expresadas como un porcentaje de las tarifas de consumo normal de agua. La cantidad del sobrecargo dependerá de la meta del consumo reducido de agua que establezca el Consejo Municipal. Las tarifas específicas que se demuestran en este aviso son un ejemplo, basado en las tarifas propuestas para el agua (Abril 2019). Como un ejemplo, con condiciones de Escasez Leve, un 5 por ciento de tarifa de recargo debido a la escasez de agua, temporalmente aumentará la tarifa de consumo de agua residencial del Nivel 1 de \$1.00 por CCF (Centum Cubic Feet) a \$1.05 por CCF (un recargo de \$0.05 por CCF). Otras tarifas de consumo de agua serán similarmente afectadas según se indica en la lista de sobrecargos. Cargos de servicio mensual y tarifas fijas para los clientes sin medidores de agua serán inafectados. El recargo temporal será rescindido cuando el Municipio declare la cesación del consumo de agua restringido.

El Consejo Municipal actualmente no tiene planes de implementar la propuesta de tarifa temporal de recargos debido a la escasez de agua, pero estarán disponibles para ayudar a resolver necesidades económicas durante una futura sequía. Adoptando los recargos en este momento permitirá la implementación a tiempo durante una situación de futura escasez de agua.

Bases para el Cálculo de la Tarifa Propuesta

Los ajustes anuales de tarifas propuestos para el agua y las aguas residuales se justifican en base a gastos estimados en el futuro que están asociados con el mantenimiento y operación continua, obligaciones de servicios de deuda, y necesidades de programa de capital, así como el sustento de reserva financiera prudente. Los requisitos de las tarifas de ingresos para el agua y aguas residuales fueron determinados de acuerdo a planes financieros desarrollados como parte de un estudio de tasas para el agua y aguas residuales. El *Water and Wastewater Rate Study* (Estudio de Tarifas para el Agua y Aguas Residuales), preparado por The Reed Group, Inc. está disponible en el sitio web www.lodi.gov o en el mostrador del Departamento de Obras Públicas en el Ayuntamiento. La razón fundamental y el cálculo de la tarifa temporal de recargos debido a la escasez de agua, también se describen en el mismo informe.

Conclusión

Si tiene preguntas sobre este aviso, por favor llame al Departamento de Obras Públicas al (209)333-6706 entre las 7:30 a.m. y 5:30 p.m., de Lunes a Jueves, y de 8:00 a.m. a 5:00 p.m. los Viernes. El Ayuntamiento está cerrado cada otro viernes.

JENNIFER M. FERRAILOLO, Actuarial Municipal
Ciudad de Lodi

Ciudad de Lodi

Lista de Tarifas Actuales y Propuestas Máximas para el Agua

| Actual (1) Ajuste de Tarifa | | Abril 2019 (2) 2.9% | Enero 2020(3) 3.0% | Enero 2021 (1) -8.4% | Enero 2022(3) 3.0% | Enero 2023(3) 3.0% |
|--|-----------|------------------------|-----------------------|-------------------------|-----------------------|-----------------------|
| Tarifas Fijas para el Agua Mensuales (Sin Medir) | | | | | | |
| Residencias Unifamiliares | | | | | | |
| 1 Recamara | \$32.84 | \$33.79 | \$34.80 | \$31.88 | \$32.84 | \$33.83 |
| 2 Recamaras | \$39.44 | \$40.58 | \$41.80 | \$38.29 | \$39.44 | \$40.62 |
| 3 Recamaras | \$47.27 | \$48.64 | \$50.10 | \$45.89 | \$47.27 | \$48.69 |
| 4 Recamaras | \$56.79 | \$58.44 | \$60.19 | \$55.14 | \$56.79 | \$58.49 |
| 5 Recamaras | \$68.11 | \$70.09 | \$72.19 | \$66.13 | \$68.11 | \$70.15 |
| Viviendas Multifamiliares | | | | | | |
| 1 Recamara | \$28.19 | \$29.01 | \$29.88 | \$27.37 | \$28.19 | \$29.04 |
| 2 Recamaras | \$33.81 | \$34.79 | \$35.83 | \$32.82 | \$33.80 | \$34.81 |
| 3 Recamaras | \$40.58 | \$41.76 | \$43.01 | \$39.40 | \$40.58 | \$41.80 |
| 4 Recamaras | \$48.68 | \$50.09 | \$51.59 | \$47.26 | \$48.68 | \$50.14 |
| No-Residenciales | | | | | | |
| De acuerdo a ESFU | \$39.44 | \$40.58 | \$41.80 | \$38.29 | \$39.44 | \$40.62 |
| Costos de Servicio Mensuales (Con Medidor) | | | | | | |
| Hasta ¾" metro | \$21.87 | \$22.50 | \$23.18 | \$21.23 | \$21.87 | \$22.53 |
| 1" metro | \$34.34 | \$35.34 | \$36.40 | \$33.34 | \$34.34 | \$35.37 |
| 1 ½" metro | \$65.25 | \$67.14 | \$69.15 | \$63.34 | \$65.24 | \$67.20 |
| 2" metro | \$102.52 | \$105.49 | \$108.65 | \$99.53 | \$102.52 | \$105.60 |
| 3" metro | \$189.50 | \$195.00 | \$200.85 | \$183.98 | \$189.50 | \$195.19 |
| 4" metro | \$313.73 | \$322.83 | \$332.51 | \$304.53 | \$313.73 | \$323.14 |
| 6" metro | \$624.03 | \$642.13 | \$661.39 | \$605.85 | \$624.03 | \$642.75 |
| 8" metro | \$996.55 | \$1025.45 | \$1056.21 | \$967.52 | \$996.55 | \$1026.45 |
| 10" metro | \$1431.26 | \$1472.77 | \$1516.95 | \$1389.57 | \$1431.26 | \$1474.20 |
| Tarifas de Consumo de Agua (Con Medidor) --\$/CCF | | | | | | |
| Residencias Unifamiliares | | | | | | |
| Nivel 1(0-10CCF) | \$0.97 | \$1.00 | \$1.03 | \$0.94 | \$0.97 | \$1.00 |
| Nivel 2(11-50CCF) | \$1.29 | \$1.33 | \$1.37 | \$1.25 | \$1.29 | \$1.33 |
| Nivel 3(>50CCF) | \$1.60 | \$1.65 | \$1.70 | \$1.56 | \$1.61 | \$1.66 |
| Multifamiliares | \$1.15 | \$1.18 | \$1.22 | \$1.12 | \$1.15 | \$1.18 |
| No-Residenciales | \$1.15 | \$1.18 | \$1.22 | \$1.12 | \$1.15 | \$1.18 |
| Notas: | | | | | | |
| (1) Las tarifas del agua fueron ajustadas en el 2017 basado en la Resolución 2017-23, cual incluye una tasa de reducción en Enero 2021 para las tarifas de agua que entraron en vigor en el 2016 | | | | | | |
| (2) El Cambio anual en el ENR 20-Cities Construction Cost Index para el 2018 (basado en Dic.2017 a Dic. 2018) | | | | | | |
| (3) Los ajustes calculados basados en el cambio anual en el índice ENR cada 30 de Septiembre, es sujeto a un límite de 3.0% | | | | | | |

Ciudad de Lodi

| Lista de Tarifas Actuales y Propuestas Máximas para las Aguas Residuales | |
|--|--|
|--|--|

| Actual (1) | Julio 2019 (2) | Julio 2020(3) | Julio 2021 (3) | Julio 2022(3) | Julio 2023(3) |
|-------------------|----------------|---------------|----------------|---------------|---------------|
| Ajuste de Tarifa- | 2.9% | 3.0% | 3.0% | 3.0% | 3.0% |

Tarifas fijas para el Agua Mensuales (Sin Medir)

Residencias Unifamiliares y Viviendas Residenciales Multifamiliares

| | | | | | | |
|------------------------------------|---------|---------|---------|---------|---------|---------|
| 1 Recamara | \$27.90 | \$28.71 | \$29.57 | \$30.46 | \$31.37 | \$32.31 |
| 2 Recamaras | \$37.20 | \$38.28 | \$39.43 | \$40.61 | \$41.83 | \$43.08 |
| 3 Recamaras | \$46.49 | \$47.84 | \$49.28 | \$50.76 | \$52.28 | \$53.85 |
| 4 Recamaras | \$55.79 | \$57.41 | \$59.13 | \$60.90 | \$62.73 | \$64.61 |
| 5 Recamaras | \$65.09 | \$66.98 | \$68.99 | \$71.06 | \$73.19 | \$75.39 |
| Casas Rodantes Cualquier Tamaño | \$27.90 | \$28.71 | \$29.57 | \$30.46 | \$31.37 | \$32.31 |

[illegible]

De acuerdo a SSU

| | | | | | | |
|-----------------------|---------|---------|---------|---------|---------|---------|
| (18 estudiantes=1SSU) | \$27.90 | \$28.71 | \$29.57 | \$30.46 | \$31.37 | \$32.31 |
|-----------------------|---------|---------|---------|---------|---------|---------|

| | | | | | |
|---------|---------|---------|---------|---------|---------|
| \$27.90 | \$28.71 | \$29.57 | \$30.46 | \$31.37 | \$32.31 |
|---------|---------|---------|---------|---------|---------|

No-Residenciales

| | | | | | | |
|-------------------|---------|---------|---------|---------|---------|---------|
| De acuerdo a ESFU | \$37.20 | \$38.28 | \$39.43 | \$40.61 | \$41.83 | \$43.08 |
|-------------------|---------|---------|---------|---------|---------|---------|

| | | | | | |
|---------|---------|---------|---------|---------|---------|
| \$37.20 | \$38.28 | \$39.43 | \$40.61 | \$41.83 | \$43.08 |
|---------|---------|---------|---------|---------|---------|

Costos de Servicio Mensuales (Con Medidor)

| | | | | | | |
|----------------|-----------|-----------|-----------|-----------|-----------|-----------|
| Hasta ¾" metro | \$25.40 | \$26.14 | \$26.92 | \$27.73 | \$28.56 | \$29.42 |
| 1" metro | \$40.92 | \$42.11 | \$43.37 | \$44.67 | \$46.01 | \$47.39 |
| 1 ½" metro | \$79.06 | \$81.35 | \$83.79 | \$86.30 | \$88.89 | \$91.56 |
| 2" metro | \$124.33 | \$127.94 | \$131.78 | \$135.73 | \$139.80 | \$143.99 |
| 3" metro | \$232.29 | \$239.03 | \$246.20 | \$253.59 | \$261.20 | \$269.04 |
| 4" metro | \$385.52 | \$396.70 | \$408.60 | \$420.86 | \$433.49 | \$446.49 |
| 6" metro | \$768.28 | \$790.56 | \$814.28 | \$838.71 | \$863.87 | \$889.79 |
| 8" metro | \$1227.76 | \$1263.37 | \$1301.27 | \$1340.31 | \$1380.52 | \$1421.94 |
| | | | | | | |

| Tarifas de Utilización de Aguas Residuales (Con Medidor) | |
|--|-----|
| 1 | 2 |
| 3 | 4 |
| 5 | 6 |
| 7 | 8 |
| 9 | 10 |
| 11 | 12 |
| 13 | 14 |
| 15 | 16 |
| 17 | 18 |
| 19 | 20 |
| 21 | 22 |
| 23 | 24 |
| 25 | 26 |
| 27 | 28 |
| 29 | 30 |
| 31 | 32 |
| 33 | 34 |
| 35 | 36 |
| 37 | 38 |
| 39 | 40 |
| 41 | 42 |
| 43 | 44 |
| 45 | 46 |
| 47 | 48 |
| 49 | 50 |
| 51 | 52 |
| 53 | 54 |
| 55 | 56 |
| 57 | 58 |
| 59 | 60 |
| 61 | 62 |
| 63 | 64 |
| 65 | 66 |
| 67 | 68 |
| 69 | 70 |
| 71 | 72 |
| 73 | 74 |
| 75 | 76 |
| 77 | 78 |
| 79 | 80 |
| 81 | 82 |
| 83 | 84 |
| 85 | 86 |
| 87 | 88 |
| 89 | 90 |
| 91 | 92 |
| 93 | 94 |
| 95 | 96 |
| 97 | 98 |
| 99 | 100 |

Todos los Clientes, Salvo de Alta Potencia

| | |
|----------------------|--|
| Tarifa de Uso(\$/CCF | |
|----------------------|--|

| | | | | | | |
|------------------|--------|--------|--------|--------|--------|--------|
| Del uso de agua) | \$2.89 | \$2.97 | \$3.06 | \$3.15 | \$3.24 | \$3.34 |
|------------------|--------|--------|--------|--------|--------|--------|

| | | | | | |
|--------|--------|--------|--------|--------|--------|
| \$2.89 | \$2.97 | \$3.06 | \$3.15 | \$3.24 | \$3.34 |
|--------|--------|--------|--------|--------|--------|

Consumidores de Alta Potencia

| | | | | | | |
|---------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|
| Caudal(anualmente por MG) | \$3730.00 | \$3838.17 | \$3953.32 | \$4071.92 | \$4194.08 | \$4319.90 |
| BOD (anualmente por 1,000 lbs.) | \$616.00 | \$633.86 | \$652.88 | \$672.47 | \$692.64 | \$713.42 |
| SS(anualmente por 1,000 lbs.) | \$385.00 | \$396.17 | \$408.06 | \$420.30 | \$432.91 | \$445.90 |

Notas:

(1) Las tarifas de las Aguas Residuales la última vez que fueron ajustadas fue en el 2016 basado en la Resolución 2016-109.

(2) El Cambio anual en el ENR 20-Cities Construction Cost Index para el 2018 (basado en Dic.2017 a Dic. 2018)

(3) Los ajustes calculados basados en el cambio anual en el índice ENR cada 30 de Abril, es sujeto a un límite de 3.0%

Ciudad de Lodi

| Lista de las Tarifas Temporales Propuestas debido a la Escasez de Agua | |
|--|--|
|--|--|

| | Condiciones de Abastecimiento Normales | Posible Escasez (voluntariamente) | Escasez Leve (Obligatorio) | Escasez Moderada (Obligatorio) | Escasez Severa (Obligatorio) | Escasez Crítica (Obligatorio) |
|--|--|-----------------------------------|---|--------------------------------|------------------------------|-------------------------------|
| Meta de Consumo Reducido | Nada | 5% al 10% | 10% al 20% | 20% al 30% | 30% al 50% | >50% |
| Recargo Temporal debido a la escasez de Agua (2) | Nada | Nada | 5% | 10% | 15% | 20% |
| Costos de Servicio Mensuales | | | | | | |
| Hasta ¾" metro | \$22.50 | | No hay cambios a los cobros por los servicios | | | |
| 1" metro | \$35.34 | | | | | |
| 1 ½" metro | \$67.14 | | | | | |
| 2" metro | \$105.49 | | | | | |
| 3" metro | \$195.00 | | | | | |
| 4" metro | \$322.83 | | | | | |
| 6" metro | \$642.13 | | | | | |
| 8" metro | \$1025.45 | | | | | |
| 10" metro | \$1472.77 | | | | | |
| Tarifas de Consumo de Agua (\$/CCF)(3) | | | | | | |
| Residencias Unifamiliares | | | | | | |
| Nivel 1(0-10CCF) | \$1.00 | \$1.00 | \$1.05 | \$1.10 | \$1.15 | \$1.20 |
| Nivel 2(11-50CCF) | \$1.33 | \$1.33 | \$1.40 | \$1.46 | \$1.53 | \$1.60 |
| Nivel 3(>50CCF) | \$1.65 | \$1.65 | \$1.73 | \$1.82 | \$1.90 | \$1.98 |
| Multifamiliares | \$1.18 | \$1.18 | \$1.24 | \$1.30 | \$1.36 | \$1.42 |
| No-Residenciales | \$1.18 | \$1.18 | \$1.24 | \$1.30 | \$1.36 | \$1.42 |

Notas:

- (1) Los porcentajes de las tarifas de recargos debido a la escasez de agua que se demuestran aplicadas a la propuesta de tarifas para el consumo del agua para Abril 2019, son para propósitos ilustrativos. Los porcentajes se aplicaran a cualquier tarifa de consumo de agua que esté vigente en esa fecha, cuando el Consejo Municipal declare la implementación de escasez de agua.
- (2) La tarifa de recargo temporal debido a la escasez de agua será un aumento incremental (porcentaje) en las tarifas del consumo de agua, pero no serán aplicadas a los cobros de servicio mensuales o a ninguna tarifa fija para los clientes sin medidor.
- (3) La tarifa para el consumo de agua que se demuestran para las situaciones de escasez de Nivel Leve a Nivel Critico incorporan las tarifas de recargo debido a la escasez de agua.

CITY COUNCIL
MARK CHANDLER, Mayor
DOUG KUEHNE,
Mayor Pro Tempore
BOB JOHNSON
JOANNE MOUNCE
ALAN NAKANISHI

CITY OF LODI

2015 "Wine Region of the Year"

CITY HALL, 221 WEST PINE STREET
P.O. BOX 3006
LODI, CALIFORNIA 95241-1910
(209) 333-6706 / FAX (209) 333-6710
EMAIL: pwdept@lodi.gov
www.lodi.gov

STEPHEN SCHWABAUER
City Manager

JENNIFER M. FERRAILOLO
City Clerk

JANICE D. MAGDICH
City Attorney

CHARLES E. SWIMLEY, JR.
Public Works Director

January __, 2019

SUBJECT: Proposed Schedule of Water and Wastewater Rate Increases

This letter to our utility customers addresses some commonly questioned aspects of the Proposition 218 process relative to forecasted utility rate increases.

First, the City's Proposition 218 notices will not result in any increase in utility rates. The Proposition 218 notice is a notice of a public hearing for the City Council to consider proposed rate schedules and does not constitute a utility rate increase. In the case of water and wastewater rates, if the City Council approves the proposal it would set an annual maximum limit of 3% for future water and wastewater rate increases, even if the inflationary index exceeds 3%.

Second, the City has acted transparently by regularly presenting at public meetings the financial models for the water and wastewater utilities that contain specific information on the forecasted increases in costs for personnel, utilities, materials, supplies, and debt service and lists specific system improvement projects. As recently as January 15, 2019, this information was presented at the Shirtsleeve meeting and is available online at the City's website (www.lodi.gov) under Council Agendas and Minutes.

Third, the financial models present the best information available that support the notion of continued modest increases in rates. Again, the City Council will not be voting on March 20 to increase rates by 3% for each of the next five years. Each year, actual numbers from the prior year and budget projections for the next year provide the facts to the City Council so a decision can be made as to whether there should be no rate increase or a modest increase limited to no more than 3%.

Fourth, the objective of the proposed rate schedules is to make it possible to (1) offset inflationary increases in water and wastewater operating costs should that become necessary, (2) meet mandatory debt service obligations, and (3) help replace and rehabilitate aging infrastructure. In the past, maximum permitted rate increases have not been implemented and, in fact, since 2012 the average annual water rate increase has been 2.0% and the average annual wastewater rate increase has been 1.9%.

Fifth, the recent drought and reduced water sales created some financial strain on the City's water utility. To help reduce financial risk and the potential for unplanned rate increases, the City Council will be considering adopting temporary water shortage rate surcharges. These temporary surcharges would only be implemented during a future drought at a time when the City Council declares shortage conditions requiring mandatory

water use reductions. The temporary surcharges would be rescinded when shortage conditions end.

Sixth, the proposed rate schedules will not be used to pay for infrastructure required to serve the demands presented by new development. The development impact fee program requires new development to reimburse the City for past and future investments in water, wastewater, streets, police, fire and other infrastructure. In fact, if new development fee revenues exceed that forecasted in the financial models, this could partially offset recommended inflationary increases.

Lastly, significant system improvements are being implemented that will, in the long term, significantly reduce expensive maintenance costs and evenly spread utility costs (rates) amongst our customers. These system improvements include the water and wastewater main replacement/rehabilitation program, water meter installation program, old water meter retrofit program, and system-wide well maintenance. And there are administration costs to run the utilities with much of those costs related to meeting State requirements for the operation of the wastewater treatment plant and the water treatment plant.

Sincerely,

Charles E. Swimley, Jr.
Public Works Director

CONSEJO MUNICIPAL
MARK CHANDLER, Alcalde
DOUG KUEHNE,
Alcalde Pro Tempore
BOB JOHNSON
JOANNE MOUNCE
ALAN NAKANISHI

CITY OF LODI

DEPARTAMENTO DE OBRAS PÚBLICAS
CITY HALL, 221 WEST PINE STREET / P.O. BOX 3006
LODI, CALIFORNIA 95241-1910
TELÉFONO (209) 333-6706 / FAX (209) 333-6710
EMAIL pwdept@lodi.gov
<http://www.lodi.gov>

STEPHEN SCHWABAUER
Administrador Municipal

JENNIFER M. FERRAILOLO
Actuario Municipal

JANICE D. MAGDICH
Fiscal Municipal

CHARLES E. SWIMLEY
Director de Obras Publicas

___ De Enero de 2019

TEMA: Programa Propuesto para Incrementar las Tarifas para el agua y las Aguas Residuales

Esta carta a nuestros clientes de servicios públicos aborda algunas preguntas que comúnmente cuestionan los aspectos del proceso sobre la Proposición 218 concerniente a los aumentos de servicios públicos pronosticados.

Primero, los avisos relacionados con la Proposición 218 del Municipio no resultaran en ningún aumento en las tarifas de los servicios públicos o utilidades. El aviso sobre la Proposición 218, es un comunicado sobre una Audiencia Pública para que el Consejo Municipal preste consideración a una propuesta de un programa para aumentar las tarifas, y no constituye un aumento en los servicios públicos o utilidades. En el caso de las tarifas para el agua y las aguas residuales, si el Consejo Municipal aprueba la proposición, se fijará un límite máximo anual de 3% para incrementar las tasas para el agua y para las aguas residuales en el futuro, aunque el índice inflacionario supere el 3%.

Segundo, la Ciudad ha obrado transparentemente, presentando regularmente, durante sus juntas publicas los modelos financieros para los servicios públicos del agua y las aguas residuales, los cuales contienen información específica sobre los aumentos pronosticados con respecto al personal, materiales, utilidades, aprovisionamiento de materiales y servicios de deudas y listados de proyectos para la mejora de sistemas. Recientemente, durante la reunión informal del 15 de Enero de 2019 esta información fue presentada, y está disponible por línea en el sitio web de la Ciudad (www.lodi.gov) bajo el titular Council Agendas y Minutes (Agendas del Consejo y Actas)

Tercero, los modelos financieros presentan la mejor información disponible para apoyar la noción para un modesto aumento continuo de las tasas. Una vez más, el Consejo Municipal no votara el 20 de Marzo para incrementar las tarifas un 3% por cada uno de los próximos cinco años. Cada año, cifras reales del año previo y proyecciones presupuestarias para el año venidero, le proporcionan información al Consejo Municipal para que se pueda hacer una decisión pertinente a, si se debe efectuar un aumento modesto limitado a no exceder el 3% o si no se debe efectuar.

Cuarto, el objetivo de la propuesta para el plan de incrementación de tarifa, es para que sea posible (1) compensar los aumentos de inflación del costo operativo de agua residual y de agua, si llegaran a ser necesarios, (2) cumplir con las obligaciones de servicios de deudas y (3) para asistir a reemplazar y a rehabilitar la infraestructura anticuada. En el pasado, el aumento de precios máximo permitido no se ha

implementado y, de hecho, desde el 2012 el promedio anual de aumento de tarifas del agua ha sido 2.0% y el promedio anual de incrementación de tarifa del agua residual ha sido 1.9%.

Quinto, la sequía reciente y la venta de agua reducida ocasionó algunas tensiones financieras con el uso de agua de la Ciudad. Para ayudar a reducir el riesgo económico y la posibilidad de aumentos de precios imprevistos, el Consejo Municipal tomará en consideración la adopción temporal de cobros de recargos debido a la escasez de agua. Estos recargos temporales serán únicamente implementados durante una futura sequía, en el momento en que el Consejo Municipal presente situaciones de escasez requiriendo la reducción obligatoria del uso de agua. Los sobrecargos temporales serán rescindidos cuando la situación de escasez cese.

Sexto, la estructura de tarifas propuesta, no se utilizará para pagar por la infraestructura necesaria para atender las exigencias que sean presentadas por un desarrollo nuevo. El programa de cuotas de impacto de urbanización, le requiere al desarrollo nuevo que le reembolse a la Ciudad por las inversiones que se hayan hecho en el pasado y en el futuro en agua, aguas residuales, calles, policía, bomberos y otra infraestructura. De hecho, si las ganancias de las cuotas de urbanización exceden lo que se ha pronosticado en los modelos financieros, esto podría parcialmente compensar los aumentos inflacionarios sugeridos.

Por último, se están implementando mejoras importantes en el sistema, los cuales a largo plazo, reducirán significativamente costos caros de mantenimiento y distribuirá los costos (tarifas) de utilidades equitativamente entre nuestros clientes. Estas mejoras del sistema incluyen, la sustitución de las cañerías de las aguas residuales y conductos del agua/programa de rehabilitación, programa de instalación de medidores de agua, programa de reequipamiento de los medidores de agua antiguos, y el mantenimiento de todo el sistema de norias. Y hay gastos de gerencia para administrar las utilidades, gran parte de esos costos están relacionados con el cumplimiento de los requisitos que tiene el Estado para la operación de la planta de tratamiento de aguas residuales y la planta potabilizadora.

Sinceramente,

Charles E. Swimley, Jr.
Director de Obras Publicas

Proposed Rates - Commercial Organics Collection and Processing Services

| Can Size | Frequency | | Monthly Rate | Contamination |
|---------------------|----------------------|---------------------------------------|---------------------|----------------------|
| 35g | 1x per week per cart | | \$46.60 | \$100 per occurrence |
| 35g | 2x per week per cart | available for customers with 4+ carts | \$93.19 | \$100 per occurrence |
| 64g | 1x per week per cart | | \$70.11 | \$100 per occurrence |
| 64g | 2x per week per cart | available for customers with 4+ carts | \$140.22 | \$100 per occurrence |



TM

CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Consider Adopting a Resolution Authorizing City Manager to Execute a Reimbursement Agreement with Anthem United Perrin Ranch, Limited Partnership for Annexation Entitlement Processing and Environmental Review Services for the Proposed Perrin Ranch Project at 1890 East Harney Lane

MEETING DATE: January 16, 2019

PREPARED BY: Community Development Director

RECOMMENDED ACTION: Consider Adopting a Resolution authorizing City Manager to execute a Reimbursement Agreement with Anthem United Perrin Ranch, Limited Partnership for annexation entitlement processing and environmental review services for the proposed Perrin Ranch project at 1890 East Harney Lane.

BACKGROUND INFORMATION: The City of Lodi has received a land use application request from Anthem United Perrin Ranch, Limited Partnership for annexation entitlement processing and environmental review services for the proposed Perrin Ranch project at 1890 East Harney Lane. The proposed project includes an annexation, municipal service review, General Plan Amendment, pre-rezone and master development plan for the property.

The proposed project site is located within Phase 1 for anticipated growth areas per General Plan Chapter 3 – Growth Management and Infrastructure. This area is anticipated as one of the first new growth opportunities. Attachment 1 includes land use visioning documents prepared by the applicant.

The property is not within the Lodi city limits. The City Council must provide direction on how to proceed with this application request. The Council ultimately has discretion on whether an annexation application is processed and whether the property is annexed to the City.

The land use entitlement for this project will require the preparation of annexation application, Municipal Service Review, General Plan Amendment, Pre - Rezone master development plan and an environmental document consistent with the California Environmental Quality Act. This project is not exempt from environmental review. The project applicant is required to pay for complete processing of this application and cover all staff and consultant costs.

As part of the proposed application, staff has prepared a Reimbursement Agreement with Anthem United Perrin Ranch, Limited Partnership, the project applicant, for the cost of the project review, master plan development, annexation processing, document preparation and environmental review. This agreement ensures that all project costs are born by the applicant.

APPROVED: _____
Stephen Schwabauer, City Manager

FISCAL IMPACT: No Impact

FUNDING AVAILABLE: The Reimbursement Agreement ensures that funding is available to pay for the costs generated by the proposed project.

Andrew Keys
Deputy City Manager/Internal Services Director

Steve Schwabauer
Community Development Director

Attachment 1 – Perrin Ranch Visioning Documents.
Attachment 2 – Reimbursement Agreement

VICINITY MAP

North



South

Perrin Ranch – 1890 East Harney Lane

CONCEPTUAL SITE PLAN

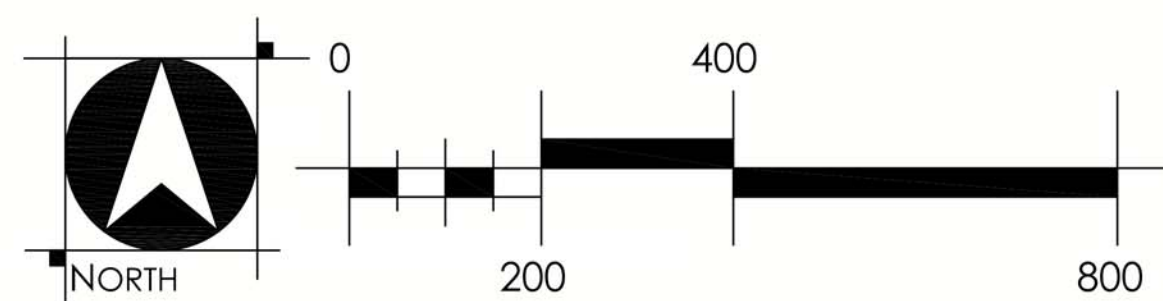
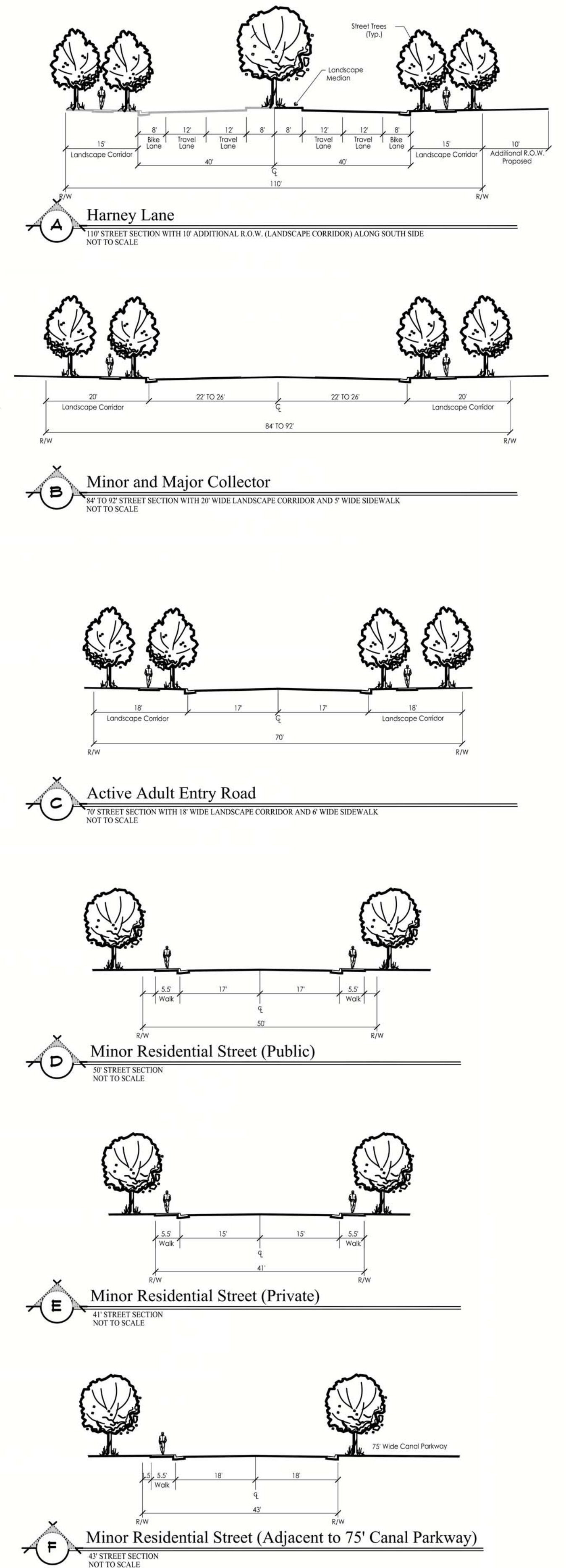
PERRIN RANCH

CITY OF LODI, CALIFORNIA
MARCH 2018



PROJECT SUMMARY

| LAND USE | UNITS |
|--------------|-------|
| ACTIVE ADULT | |
| 45'X102' | 128 |
| 50'X102' | 227 |
| 60'X102' | 83 |
| SUBTOTAL | 438 |
| MARKET RATE | |
| 45' x 100' | 98 |
| 50' x 100' | 113 |
| 60' x 100' | 92 |
| SUBTOTAL | 303 |
| TOTAL | 741 |



**ANTHEM UNITED
APPLICATION REIMBURSEMENT AGREEMENT**

This Perrin Ranch Annexation Application Reimbursement Agreement ("Agreement") is made the 19 day of December, 2018 by and among the City of Lodi, a municipal corporation, hereafter referred to as "**CITY**", Anthem United Perrin Ranch, Limited Partnership, hereafter referred to as "**DEVELOPER**", collectively "**Parties**".

RECITALS

A. DEVELOPER wishes to seek the annexation of certain real property to the City of Lodi, for the purpose of future development. CITY intends to provide thorough, complete, and professional review of DEVELOPER's various land use applications. In order to provide such thorough, complete, and professional review, CITY intends to supplement its existing staff with qualified adjunct staff secured via a consultant services agreement. DEVELOPER agrees to reimburse CITY for all its expenses related to the thorough, complete, and professional review of DEVELOPER's various land use applications including but not limited to contracting with outside vendors as provided in this Agreement.

B. The property proposed for annexation is shown on **Exhibit "A"** which is attached hereto and incorporated herein by this reference (the "**Property**").

C. State Annexation Laws and City policies and procedures require comprehensive area-wide master planning or all of the area proposed for annexation as currently proposed and as planned for the future. CITY seeks to obtain said comprehensive area-wide master planning by updating relevant annexation and infrastructure master plans ("**Master Planning**"), and through the preparation of detailed design and development guidelines, and a project specific development plan ("**Development Plan**").

D. Said Plans will require an Environmental Impact Report ("**EIR**") to determine the environmental impact, if any, of the proposed Master Planning and Development Plan.

E. The **Parties** contemplate that they may enter into a later development agreement regarding the construction of the proposed development pursuant to the authorities set forth in Government Code Section 65864 et seq. However, the **Parties** acknowledge that this Agreement is not a development agreement, and does not commit them to enter into a development agreement at some later date or provide any land use entitlements.

F. CITY's policies and procedures require that DEVELOPER bear the full cost of processing the annexation application, including any Master Planning preparation of the Development Plan, all environmental assessment work and documentation, all payment of CITY and the Local Agency Formation Commission ("**LAFCO**") application fees, all CITY staff time associated with the processing of the

application, and all outside consultant services required for the processing of the application (collectively "**Project**"). Subsequent preparation of a development agreement and the costs associated therewith are not included in this Agreement.

G. The Parties further acknowledge that the California Fair Political Practices Act requires that DEVELOPER have no direction or control over the response times, selection, supervision, activities, recommendations or decisions of any outside consulting services retained by the City.

AGREEMENT

NOW THEREFORE in consideration of the mutual covenants made herein, and other good and valuable consideration, the receipt and sufficiency of which the parties hereby acknowledge, the **Parties** hereto agree as follows:

1. **Recitals True and Correct.** The **Parties** agree that the Recitals contained hereinabove are true and correct.

2. **Expense Reimbursement.** CITY will engage outside consultants and in-house staff in its sole discretion to perform the legal, environmental and planning services necessary for the **Project**. DEVELOPER will reimburse CITY for all in-house and consultant costs associated with the **Project**. In-house costs will be billed based on a position's Fully Burdened Hourly Rate (FBHR) calculated as the position's hourly salary and benefit rate plus an indirect cost rate billed in ¼ hour increments. The Fiscal Year 2018/19 indirect cost rate for Public Works is 38.66% and the indirect cost for planning staff is 80.56%. Current billable rates including the indirect cost rate are included in Exhibit A of this agreement. FBHR are effective through current employee contracts or the current Fiscal Year 2018/19. CITY has unilateral authority to adjust base rates based on actual changes in employee contracts and indirect cost rates based for future budget years.

3. **DEVELOPER'S Cooperation.** DEVELOPER will cooperate with CITY in performing the legal, environmental, and planning work required of the CITY to advance the **Project**.

4. **DEVELOPER'S Deposit.** Upon execution of this Agreement, DEVELOPER shall deposit \$75,000.00 cash (or other equivalent security in a form approved by the City Manager) with CITY. CITY will hold the deposit and charge invoices received and in-house expenses incurred against the deposit. Developer shall be provided with a monthly accounting of the costs to be expensed against Developer's Deposit, including a description of the work performed by both the City's in-house staff and any outside consultants, and the associated costs. In the event that the deposit is drawn down to a balance of less than \$25,000.00, DEVELOPER shall deposit additional funds to maintain an evergreen balance of at least \$75,000.00 ("**Evergreen Deposit**"). DEVELOPER shall deposit additional funds with CITY to ensure the Evergreen Deposit amount is maintained within 15 days of receiving notice from CITY. In the event that funds remain on deposit at the conclusion of the services contemplated by this Agreement; they shall be refunded to DEVELOPER. The deposit shall earn interest at the

LAIF rate. Interest shall be credited back to the Evergreen Account and only refunded if a positive balance remains at the conclusion of the **Project**.

5. Termination of Agreement.

a. DEVELOPER shall have the right to terminate this Agreement by delivering notice as set forth below.

b. In the event of termination of this Agreement, CITY shall refund to DEVELOPER any unused funds in the Evergreen Deposit.

c. Post Termination Work. Notwithstanding the provisions of Section 5(a), DEVELOPER may request that, after DEVELOPER has delivered notice of termination, CITY complete work in progress as identified by DEVELOPER. DEVELOPER shall reimburse CITY for the costs of completion of the identified work.

6. Payment of Costs Not Contingent on Project Approval/No Entitlements Granted. The payment of the fees and costs identified herein is not contingent upon the approval of the annexation of the **Property**. DEVELOPER understands that the proposed annexation requires the approval of LAFCO and the Lodi City Council. DEVELOPER fully accepts all risks associated with the approval process. Nothing in this Agreement shall provide DEVELOPER with any right to secure approval of any development plan or other entitlement. In addition, DEVELOPER agrees that it will have no rights to select the outside consultants retained by CITY; or direct the work, response times, recommendations or approvals of the outside consultants.

7. DEVELOPER'S Failure to Pay. Should DEVELOPER fail to make any of the payments in the amounts and at the times stated in the Section 4 of this Agreement, CITY may, at its option, stop all further work on the **Project** and not proceed until the sums due are paid. Should DEVELOPER abandon the **Project**, DEVELOPER shall be responsible for the payment to CITY of all fees and costs incurred by CITY at the time the **Project** is abandoned, including such fees and costs for all work in progress but not yet billed to CITY by its retained consultants.

8. No Damages for Delay. CITY, its elected and appointed officials, officers, agents, or employees shall not be responsible or liable to DEVELOPER for any damages of any type or description which may result from any delays associated with the processing of the **Project** whether caused by the negligence of CITY, its elected and appointed officials , officers, agents, employees, or otherwise.

9. Notices.

All notices required by this Agreement shall be in writing, signed by the authorized representative of the sender and shall be deemed to have been given when the same is personally served or upon receipt by express or overnight delivery, postage prepaid, or three (3) days from the mailing if sent by first class or certified mail, postage prepaid, addressed as follows:

TO CITY

City of Lodi
Stephen Schwabauer
City Manger
221 West Pine Street
Lodi, CA 95240

TO DEVELOPER

Anthem United Perrin Ranch, Limited Partnership
David Ragland
3001 Douglas Boulevard, Suite 200
Roseville, CA 95661

10. California Law. This Agreement shall be construed and interpreted both as to validity and to performance of the parties in accordance with the laws of the State of California. Legal actions concerning any dispute, claim, or matter arising out of or in relation to this Agreement shall be instituted in the Superior Court of the County of San Joaquin, State of California, or any other appropriate court in such county, and DEVELOPER covenants and agrees to submit to the personal jurisdiction of such court in the event of such action.

11. Waiver. No delay or omission in the exercise of the right or remedy by a non-defaulting party on any default shall impair such right or remedy or be construed as a waiver. Any waiver by either party or any default must be in writing and shall not be a waiver of any other default concerning the same and any other provision of this Agreement.

12. Attorney Fees. If either party to this Agreement is required to initiate or defend or is made a party to any action or proceeding in any way connected with this Agreement, the prevailing party in such action or proceeding, in addition to any other relief which may be granted, whether legal or equitable, shall be entitled to reasonable attorneys' fees. Attorneys' fees shall include attorneys' fees on any appeal, and in addition a party entitled to attorneys' fees shall be entitled to all other reasonable costs for investigating such action, taking depositions and discovery, and all other necessary costs the court allows which are incurred in such litigation. All such fees shall be deemed to have accrued on commencement of such action and shall be enforceable whether or not such action is prosecuted to judgment.

13. Interpretation. The terms of this Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against either party by reason of the authorship of this Agreement or any other rule of construction which might otherwise apply.

14. Integration; Amendment. It is understood that there are no oral agreements between the **Parties** hereto affecting this Agreement and this Agreement supersedes and cancels any and all previous negotiations, arrangements, agreements, and understandings, if any, between the **Parties**, and none shall be used to interpret this Agreement. This Agreement may be amended at any time by the mutual consent of the **Parties** by an instrument in writing and executed by the **Parties**.

15. Severability. In the event that any one or more of the phrases, sentences, clauses, paragraphs, or sections contained in this Agreement shall be declared invalid or

unenforceable by a valid judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining phrases, sentences, clauses, paragraphs, or sections of this Agreement which are hereby declared as severable and shall be interpreted to carry out the intent of the **Parties** hereunder unless the invalid provision is so material that its validity deprives either party of the basic benefit of their bargain or renders this Agreement meaningless.

16. **Corporate Authority.** The persons executing this Agreement on behalf of the **Parties** hereto warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Agreement on behalf of said party, (iii) by so executing this Agreement, such party is formally bound to the provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other Agreement to which said party is bound.

17. **Indemnification, Defense and Hold Harmless.**

a. DEVELOPER agrees to and shall indemnify, defend and hold CITY, its council members, appointed officials, officers, agents, employees and representatives ("Indemnites") harmless from liability for damage or claims of damage, for personal injury, including death, and claims for property damage which may arise from CITY's hiring of outside consultants and the services for the **Project** provided thereby.

b. DEVELOPER's obligation under this section to indemnify, defend and hold harmless CITY, its council members, appointed officials, officers, agents, employees, and representatives shall not extend to liability for damage or claims for damage arising out of the sole negligence or willful act of CITY, its council members, appointed officials, officers, agents, employees or representatives. In addition, DEVELOPER's obligation shall not extend to any award of punitive damages against CITY resulting from the conduct of CITY, its council members, appointed officials, officers, agents, employees or representatives.

c. With respect to any action challenging the validity of this Agreement or any environmental, financial, or other documentation related to approval of this Agreement, DEVELOPER further agrees to defend, indemnify, hold harmless, pay all damages, costs and fees, if any incurred to either CITY or plaintiff(s) filing such an action should a court award plaintiff(s) damages, costs and fees, and to provide a defense for CITY in any such action.

d. Failure of City to monitor compliance with the requirements of this Section 17 imposes no additional obligations on City and will in no way act as a waiver of any rights hereunder. This obligation to indemnify and defend City as set forth is binding on the successors, assigns or heirs of Developer and shall survive the termination of this Agreement or this Section 17.

e. This Section 17 shall survive termination of this Agreement and is in addition to any other rights or remedies that the Indemnities may have under the law or under any other contract or agreements. In the event of any claim or demand made against any party which is entitled to be indemnified hereunder, City may, in its sole discretion, reserve, retain or apply any monies owing to the Developer under this Agreement, if any, for the purpose of resolving such claims; provided, however, City may release such funds if the Developer provides

City with reasonable assurance of protection of the Indemnitees' interests. City shall, in its sole discretion, determine whether such assurances are reasonable.

SIGNATURES FOLLOW ON NEXT PAGE

IN WITNESS WHEREOF, the Parties have executed and entered into this Agreement as of the date first written above.

ATTEST:


CITY OF LODI, a municipal corporation

By: _____
Jennifer M. Ferraiolo, City Clerk

By: _____
Stephen Schwabauer, City Manager

APPROVED AS TO FORM:

By _____
Janice D. Magdich, City Attorney



DEVELOPER:

Anthem United Perrin Ranch, Limited Partnership

By:

Name: David Ragland

Title: Vice President Land Development

Address: _____

EXHIBIT A
CURRENT FULLY BURDENED HOURLY RATES

| Position | Hourly | | | |
|--------------------------------|-----------|--------|-----------|-----------|
| | Sal/Ben | ICR* | Overhead | FBHR |
| Public Works Director | \$ 160.89 | 38.66% | \$ 62.20 | \$ 223.08 |
| Construction Project Manager | \$ 96.39 | 38.66% | \$ 37.26 | \$ 133.66 |
| Assistant Engineer | \$ 83.41 | 38.66% | \$ 32.24 | \$ 115.65 |
| Engineering Technician | \$ 69.32 | 38.66% | \$ 26.80 | \$ 96.12 |
| Public Works Inspector | \$ 67.62 | 38.66% | \$ 26.14 | \$ 93.76 |
| Senior Civil Engineer | \$ 114.27 | 38.66% | \$ 44.18 | \$ 158.45 |
| Senior Engineering Technician | \$ 76.63 | 38.66% | \$ 29.63 | \$ 106.26 |
| City Engineer/Dep PW Director | \$ 127.28 | 38.66% | \$ 49.21 | \$ 176.49 |
| Associate Civil Engineer | \$ 103.24 | 38.66% | \$ 39.91 | \$ 143.15 |
| Associate Engineer | \$ 100.31 | 38.66% | \$ 38.78 | \$ 139.09 |
| Administrative Clerk | \$ 40.64 | 38.66% | \$ 15.71 | \$ 56.35 |
| Community Development Director | \$ 187.29 | 80.56% | \$ 150.88 | \$ 338.16 |
| City Planner | \$ 112.94 | 80.56% | \$ 90.98 | \$ 203.92 |

* Indirect Cost Rate

City reserves the right to make modifications to the ICR and or Sal/Ben hourly rates based on actual changes in employee contracts or adoption of future budgets.

RESOLUTION NO. 2019-_____

A RESOLUTION AUTHORIZING THE CITY MANAGER TO
EXECUTE A REIMBURSEMENT AGREEMENT WITH ANTHEM
UNITED PERRIN RANCH, LIMITED PARTNERSHIP, FOR
ANNEXATION ENTITLEMENT PROCESSING AND
ENVIRONMENTAL REVIEW SERVICES FOR THE PROPOSED
PERRIN RANCH PROJECT AT 1890 EAST HARNEY LANE

=====

WHEREAS, the City of Lodi has received a land use application request from Anthem United Perrin Ranch, Limited Partnership, for annexation entitlement processing and environmental review services for the proposed Perrin Ranch project at 1890 East Harney Lane; and

WHEREAS, the land use entitlement for this project will require the preparation of annexation application, Municipal Service Review, General Plan Amendment, Pre - Rezone master development plan, and an environmental document consistent with the California Environmental Quality Act; and

WHEREAS, the project applicant is required to pay for complete processing of this application and cover all staff and consultant costs; and

WHEREAS, as part of the proposed application, staff has prepared a Reimbursement Agreement with Anthem United Perrin Ranch, Limited Partnership, for the cost of the project review, master plan development, annexation processing, document preparation, and environmental review. This agreement ensures that all project costs are born by the applicant.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby authorize the City Manager to execute a reimbursement agreement with Anthem United Perrin Ranch, Limited Partnership, for preparation of annexation application, Municipal Service Review, General Plan Amendment, Pre - Rezone master development plan, and an environmental document consistent with the California Environmental Quality Act for the proposed Perrin Ranch project at 1890 East Harney Lane.

Dated: January 16, 2019

=====

I hereby certify that Resolution No. 2019-_____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held January 16, 2019 by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

JENNIFER M. FERRAILOLO
City Clerk

2019-_____